THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

How Europe Is Lining Up on the Sino-Japanese Question

Who Bombed Marshal Chang Tso-ling?

T. V. Soong's Financial Program

By P. T. Chen

Russia versus Japan in Manchuria

By J. A. J.

Overseas Chinese Send Large Contributions

By Tung Foo-hsu

Chiang Kai-shek's Political Gesture

By J. B. P.

President Coolidge Cautions American Citizens in China

評論報

SATURDAY, JUNE 16, 1928

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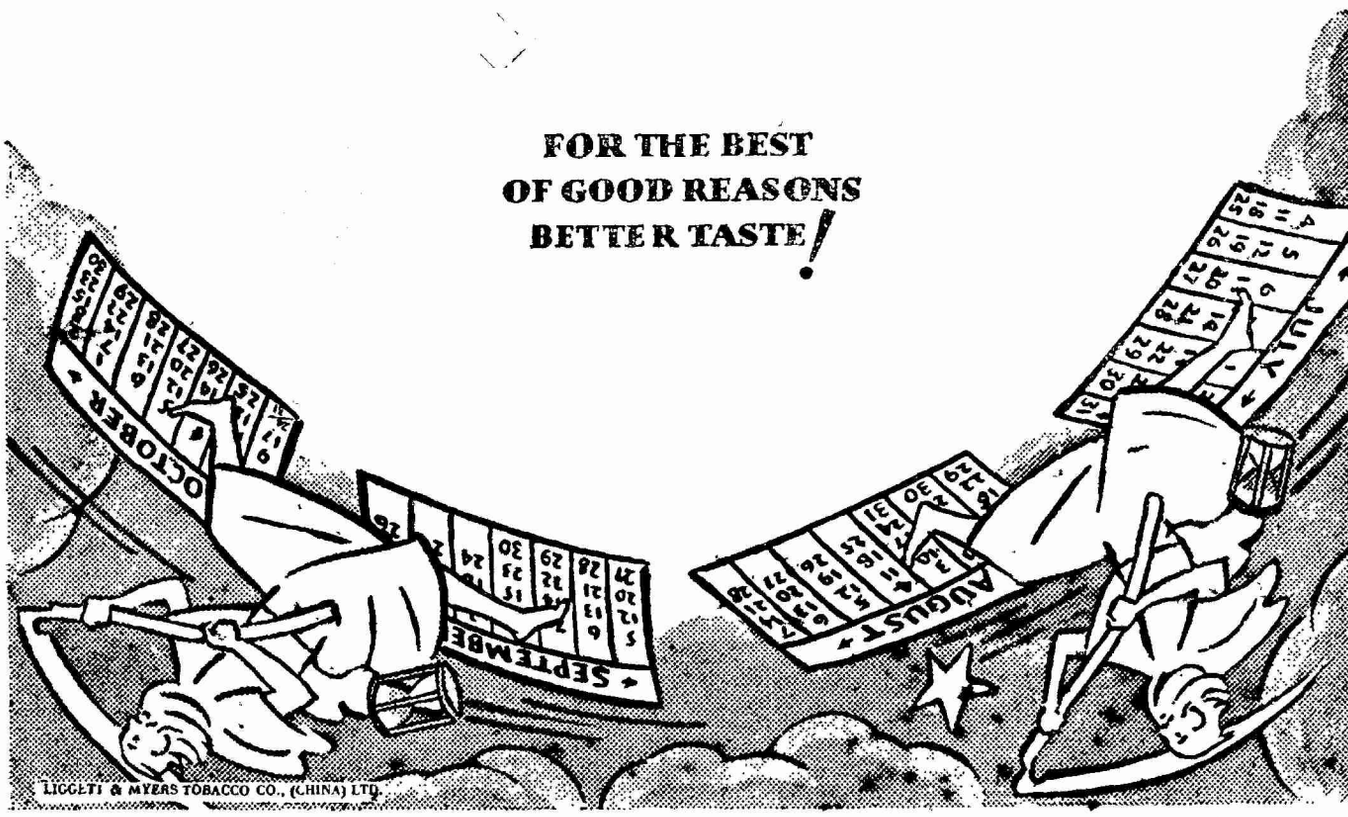

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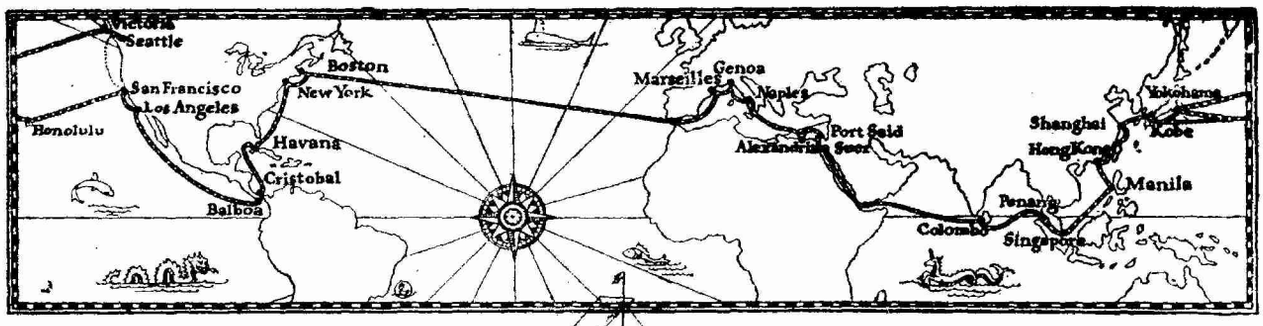

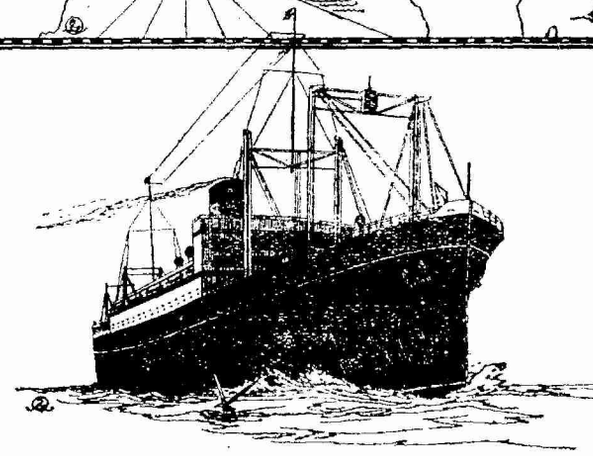

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THE CHINA WEEKLY

REVIEW

SHANGHAI, CHINA, SATURDAY, JUNE 16, 1928

Republican Platform Approves China Policy

(Special Cable to the The China Weekly Review)

Kansas City, June 14—The question of American policy toward China received major attention in the Republican campaign platform which was practically completed today and upon which the Republican Party will stand in the forthcoming national campaign.

The Platform unqualifiedly indorses the administration of President Coolidge and expresses opposition to the cancellation of foreign debts. It declares that the foreign policies of the Administration expressed, "the will of the American people working actively to build up cordial international relations and understanding."

Secretary Frank B. Kellogg's proposal for multilateral treaties outlawing war was also endorsed. In reference to the policy in respect to Nicaragua, the Republican Platform absolutely repudiates any idea of conquest or exploitation.

In reference to the Administration's and the Republican Party's policy toward China, the Platform declares that the United States has taken a position of leadership among the nations in a policy of wise moderation in respect to China, saying, "The Administration has looked with keen sympathy on the tragic events in China and we have avoided interference in the internal affairs of that unhappy country, merely keeping sufficient naval and military forces there for the protection of the lives of American citizens who have legitimate business interests there, and the still larger numbers of Americans who are in China for noble humanitarian reasons. America has never been stampeded into making reprisals."

Dealing with American interests abroad generally, the Platform promises "firm, consistent support" of all Americans abroad. Approval of a privately owned American merchant marine was also expressed. Senator Borah's proposal for a vigorous enforcement of prohibition was adopted as was also a proposal for the development of a "full ratio" navy and the drafting of all material resources in time of war.

密勒氏評論報

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Formerly Millard's Review

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PRESIDENT COOLIDGE CAUTIONS U. S. CITIZENS IN CHINA!

THE PRESIDENT of the United States, in his Memorial Day address on the Gettysburg Battlefield on May 30 offered some excellent advice to Americans residing abroad regarding their personal relations and attitude toward local inhabitants, according to a report of the address which appeared in the *Japan Advertiser*, the American newspaper in Tokyo on June 1. The report in the *Advertiser*, which was supplied by the *United Press*, stated that President Coolidge did not mention any specific cases of improper conduct by American residents in foreign countries, "*but it is assumed he referred to the activities of certain Americans in China and in the Central American republics.* President Coolidge's exact words on the subject were as follows:

"THE CARELESSNESS OF SOME OF OUR CITIZENS ABROAD IN VIOLATING DOMESTIC LAW AND IN ASSUMING AN ARROGANT ATTITUDE TOWARD LOCAL INHABITANTS, TENDS TO BRING OUR COUNTRY INTO DISREPUTE AND ENDANGERS THE CONTINUANCE OF FRIENDLY RELATIONS WITH NATIONS"

The *United Press* report stated that the President's Memorial Day address covered a wide range of subjects, urging a strict observance of the law by Americans both at home and abroad and citing the duty of the American Government to protect its nationals residing in foreign countries "within the bounds of international law." In this connection President Coolidge made it clear, however, that Americans residing in foreign countries should conduct themselves, particularly in their relations with foreign interests, in such a manner that may deserve the protection of their government whenever it is needed. President Coolidge's address on the Gettysburg Battlefield was the first to be delivered on this historic spot by any American president since Lincoln's immortal address during the American Civil War.

The remainder of President Coolidge's address constituted a plea for the abolition of war as the fittest tribute to the war dead of America. He declared, "the one thing we want above all else for ourselves and other nations is a continuance of peace. Not only has the idea of a multilateral treaty for the renunciation of war been endorsed by public opinion here and abroad, but the governments themselves have approached the matter with interest and sympathy that is most encouraging."

THE SETTLEMENT OF THE TSINAN INCIDENT

THE CHINESE are wise in insisting that the negotiations for the settlement of the Tsinan incident be conducted through regular diplomatic channels and not between military officials of the two governments, as the Japanese have been insisting upon. Several days ago the semi-official *Toho* news service announced in a dispatch from Tokyo that Lieut.-General Matsui, Chief Intelligence Officer of the Japanese General Staff, had gone to Shantung for the purpose of investigating the Tsinan incident. But the *Toho* message said nothing about the fact that Gen. Matsui had sent a private telegram to Gen. Chiang Kai-shek demanding that Gen. Chiang send a representative to Tsinan to meet with Gen. Matsui for a settlement of the Tsinan incident and threatening at the same time if Gen. Chiang did not comply, that the Japanese military in Shantung would enlarge the zone which the Japanese troops are now occupying about Tsinan and Tsingtao and along the 250-mile Shantung Railway, to include the town of Taian located about 65 miles southward of Tsinan. Also at about this time the Japanese sent military airplanes flying over the town of Taian, where the Shantung Provincial Government has its temporary headquarters, and dropped several bombs in the vicinity. There is nothing new or strange about this Japanese military policy of pressure and intimidation, which is carried on independently of the foreign policy which is supposed to be controlled by the Japanese Foreign Office. The Nationalist Government, however, did not fall into the trap and immediately notified the Japanese Foreign Office of what was going on and insisted that the Tsinan incident be negotiated through regular diplomatic channels where the proceedings will be more or less open to public inspection and publication in the newspapers. Finally, however, Gen. Chiang Kai-shek, after consultation with the Nationalist Government agreed to send a representative to meet with Gen. Matsui, the meeting taking place on June 7 at the town of Tangkaichuang on the Tientsin-Pukow Railway south of Tsinan. The Chinese representative refused to enter the Japanese military zone at Tsinan. The Chinese representative was Gen. Chang Chun, director of the Shanghai Arsenal, and a preliminary conversation was held regarding the settlement of the Tsinan Incident. According to a report appearing in the *Sin Wan Pao* Gen. Chang Chun informed the Japanese agent that the Tsinan affair was the direct result of the despatch of Japanese troops to Shantung and demanded that the Japanese immediately withdraw their troops in order to provide a proper atmosphere for settling the case. Gen. Matsui replied that Japan had no intentions of remaining long in Shantung, but since conditions were still disturbed it would be difficult to protect the Japanese residents without Japanese troops. Gen. Matsui also brought up the question of the five demands which Gen. Fukuda, the Japanese commander at Tsinan had made upon Gen. Chiang Kai-shek on May 7 prior to the bombardment of the walled city of Tsinan. Gen. Chang Chun is reported to have replied to this that unless Japan was prepared to negotiate upon the main issues through proper diplomatic channels and in a "true spirit of justice," that China would refuse to continue the conversations. Finally, after several hours of conversation, the Japanese representative is reported to have agreed to recommend to the Japanese Government that the formal negotiations should take place through properly constituted diplomatic representatives of the two Governments.

IT IS probably correct to say that China's only hope of obtaining a just settlement of the Tsinan case and getting the Japanese troops out of Shantung depends upon keeping the negotiations out in the open where the Chinese people and the world generally will know what is going on. General-Baron Tanaka, the Japanese Premier, has been insisting from the beginning that the negotiations be held in Tsinan between Chinese and Japanese military representatives, hoping in this way to put over some kind of a deal which would leave Japan in some kind of a special position in Shantung and also hoping to use the Shantung intervention as a lever for obtaining China's assent to Japan's so-called "special position" in Manchuria. In other words, Japan would say to China: "We will take our troops out of Shantung *if and when* China agrees to do so and so," Baron Tanaka, knows full well that the Chinese military is anxious to get the Japanese troops out of Shantung so that they can occupy the province and dislodge the remnants of the Chihli-Shantung troops which are being protected in eastern and northern Shantung by the Japanese intervention. Japan is thus using the same methods which she used prior to the Washington Conference in respect to Shantung—using it as a bartering point for obtaining further concessions from China in some other sphere. China was able to circumvent Japan's activities prior to the Washington Conference by keeping the case open and then at the Washington Conference the actual negotiations between the Chinese and Japanese delegates were conducted with American and British observers or mediators present. In this way China was able to obtain a square deal and get the Japanese out of the province. The present Japanese military intervention in Shantung is largely Japanese retaliation for what was done at the Washington Conference, for the Japanese military did not want to get out and only did get out because of the pressure of American public opinion at the Washington Conference which demanded a square deal for China. Therefore, if the Chinese are wise, they will follow the same procedure which they followed prior to the Washington Conference—in other words, keep the Shantung case out in the open, because the one thing the Japanese are apprehensive about is world public opinion, particularly that part of world public opinion which is expressed in the United States. If China will follow this course she need have no fear regarding the final outcome, for Japan is a signatory to the Washington Conference Treaties which guarantee the territorial, political and administrative integrity of the Chinese Republic, and every additional day of Japanese military occupation of Chinese territory puts Japan just that much more on the defensive regarding her real motives in both Shantung and Manchuria!

GREAT NEED OF A CHINESE NEWS SERVICE!

THE TSINAN incident and Japan's present activities in Manchuria should provide the Chinese officials and people with an important object lesson on the very great necessity of developing as quickly as possible a Chinese controlled national news service. Due to the destruction of the Chinese wireless station in Tsinan by the Japanese military immediately after the clash between Chinese and Japanese troops in the Shantung Capital on May 3 the Japanese had undisputed control of the news and took advantage of their opportunities to the fullest possible extent through their world-wide news con-

nections. Japan was therefore enabled to "put over" her side of the story throughout the world and it is only now after several weeks that the Chinese are beginning to get their story in circulation over the world by the use of the mails. Foreign newspaper correspondents in Shanghai and Peking were most anxious to get the Chinese side of the Tsinan incident for cabling to their papers abroad, but there was no Chinese version of the report available for several days following the incident; as a matter of fact the first authentic report was that sent to Shanghai by Gen. Chiang Kai-shek and Mr. Hwang Fu in the form of an official protest to the Japanese Government over the killing of Mr. Tsai Kung-hsi, the Chinese Commissioner of Foreign Affairs. The matter of news distribution within China and between China and the outside world is almost exclusively in the hands of foreigners. Aside from a small service brought into Peking by the American *United Press*, all of the news of the outside world received in China is brought here by two foreign press services, *Reuters*, the British service, and *Toho*, the Japanese service. Both of these services also distribute news within China to the foreign and Chinese press. In recent years the semi-official Japanese *Toho* service has expanded and is beginning to dominate the field. A glance over the front pages of any of the Shanghai newspapers almost any day will show most of the messages labeled, "Toho Service." Obviously this service is subsidized by some official branch of the Japanese Government, otherwise it could not supply the daily reports to the newspapers for a cost price about one thirtieth of what *Reuters* is forced to charge for its service.

A prominent newspaperman recently stated that "wars are now won on paper rather than on the battlefield" meaning by this that propaganda is more important than gunpowder. As stated in the preceding paragraph, China has received an important object lesson on this point as a result of the Tsinan incident which, although it happened on China soil in the capital of an important Chinese Province, was taken advantage of by the Japanese news-propagandists to convince the outside world that the fault rested entirely on the Chinese side. The reason for this situation is due to the absence of a national Chinese-owned and controlled news service with connections abroad. Almost every country on the face of the globe has its national news service. In America there are three, the *Associated Press*, a cooperative organization maintained by the newspapers themselves, and the *United Press* and *International News Service*, which are privately owned. Now that the Chinese leaders and people are beginning to direct their attention toward national reconstruction, one of the first things they should tackle is the development of a national news service. It has not been so many years since the news in Japan was dominated by foreign services, but the Japanese solved the problem by buying outright one of the large foreign services and then employing competent foreigners to show them how to operate it. Now the Japanese have displaced the foreigners and run their own show and their development in this field has been nothing short of marvelous, equalled only by the development of the newspaper publishing business in Japan. And not only in Japan, but abroad! The *Toho* service, as stated in the foregoing paragraph, is beginning to dominate the news service in China while in recent years the *Rengo* service and the *Nippon Dempo* service have branched out over the world and maintain correspondents in all of the leading world capitals and commercial centers.

The extension of the semi-official *Toho* service into the China field is particularly unfortunate from the standpoint of the development of unified political thought on the part of the Chinese people because *Toho* takes advantage of its opportunities to disseminate propaganda inspired by official Japanese sources for the furthering of special or selfish ends. The Tsinan incident is a recent case in mind. For another example there was the recent bombing incident in Mukden resulting in the killing and wounding of a number of prominent Fengtien officials. The first *Toho* report on the incident stated that "Southern plain-clothes soldiers were responsible." This report was printed in Shanghai and all over the world. It is often difficult to discriminate between *news* and *propaganda*, from the standpoint of the average newspaper reader, but almost anyone can sense the propaganda in the following typical *Toho* message which was sent out from Hankow on June 5:

(*Toho News Agency*)

Hankow, June 5—The 12th, 17th and 36th Wu-Han Armies (formerly belonging to Gen. Tang Sheng-chih) yesterday began to depart for the north by order of Gen. Li Tsung-jen. Gen. Bei Tsung-hsi also left here for the north this morning

The ostensible reason for the northward movement of these Wu-Han troops is that they participate in the anti-Northern campaign, but it seems that they have secret designs to undermine Gen. Feng Yu-hsiang's influence in Honan.

For those who may not be able to distinguish between *news* and *propaganda*, it may be explained that the first paragraph of the foregoing dispatch is *news* while the second paragraph is pure propaganda. For some reason the Japanese do not like Marshal Feng Yu-hsiang and overlook no opportunities to take a dig at him in their news dispatches. In addition to this they subsidize a foreign newspaperman in Shanghai to print unfavorable things about Feng in one of the leading foreign newspapers, but this is beside the point, which is that this situation will continue in China until the Chinese develop their own news service.

The large foreign newspapers and press services will always maintain correspondents in China and there should be no attempt at interference with their work. The Chinese are always complaining that they do not receive a square deal in the news which is printed about their country in the foreign press. Well the only way to remedy this situation is for the Chinese to develop their own news service and establish correspondents abroad. We would regret to see China develop an official service similar to what has happened in Japan and in certain European countries, but if there is no other way out then China should take steps in this direction, hoping that at sometime in the future the Chinese newspapers will become financially able to take it over or develop their own independent services. As the situation now stands it is deplorable that China should permit a foreign news service such as *Toho* to play fast and loose with China's domestic political news, As a matter of fact we do not see how the Chinese will ever be able to develop unified political thought on either domestic or foreign affairs so long as she permits a foreign news service, owned by another country, to keep China in a political turmoil by the dissemination of news-propaganda calculated to prevent unified political thinking on the part of the Chinese people. And finally, the development of a National news service carries with it the development of domestic telegraphic communication, both wire and wireless, which makes the problem a monumental one, but nevertheless one that should be tackled as quickly as possible.

THE FUTURE OF THE LEGATION QUARTER

ONE of the important questions that arises, now that the Nationalists have captured Peking, is whether the capital is to remain where it is or whether it is to be removed to Nanking. If the capital is removed to Nanking the next question that arises is: Where are the Foreign Legations to be located?

The Japanese *Toho* news agency states that even though the Nationalists should decide to remove the capital to Nanking, the Powers may not be easily persuaded to remove the Legations, and that if the Legations are removed the Powers may claim their respective rights to station permanently garrisons in Nanking as they have done in Peking and Tientsin, something that would be contradictory to the traditional policy of the Nationalist government. The Japanese therefore hold the opinion that it would not be possible to carry out the removal of the Legations to Nanking for the time being, and in support of this statement cite the situation in Turkey, where the foreign Embassies and Legations still remain at Constantinople, the old capital, and have not removed to the new seat of government at Angora.

It will be interesting to recall that at Peking all the legations are situated in what is known as the Legation Quarter, situated in the southern part of the Tartar city, the south side of the Legation Quarter being bounded by the wall which separates the Tartar City from the so-called Chinese city. The Legation Quarter has an area of about half a square mile. The allocation of the district occupied by the foreign Legations to foreign control, altogether independent of the Chinese government, dates back to the Boxer troubles of 1900. The nucleus of the Quarter is the British Legation, in which the staff of the other Legations, and foreigners generally, took refuge during the attack by the Boxers.

The legal status of the Legation Quarter had its inception in the Final Protocol dated September 7, 1901, made between China and Germany, Austria-Hungary, Belgium, Spain, United States of America, France, Great Britain, Italy, Japan, Netherlands and Russia. Article VII of the above-mentioned treaty provides: "The Chinese government has agreed that the Quarter occupied by the legations shall be considered as one specially reserved for their use and placed under their exclusive control, in which Chinese shall not have the right to reside, and which may be made defensible." China also recognized the right of each Power to maintain a permanent guard in the quarter for the defense of its Legation.

A further Protocol was signed on June 13, 1904, according to the terms of which *possession* of the land it occupied (as indicated on a map) was ceded to each Legation, also to the Maritime Customs, to each foreign association and to all private individuals. The land between the defensive walls and that assigned to the various Legations and private holders was reserved as a *glacis* for the defense of the Quarter, and was assigned as the common possession of the Quarter. It was provided that no construction in addition to that then existing was to be allowed on the *glacis* without the unanimous consent of the Powers. In this Protocol of 1904 it was, however, stipulated that parcels of land belonging to private owners situated in this *glacis* before June 20, 1900, the date of the beginning of the siege, should be excepted from the provision that no new buildings were to be erected.

Much interesting information on the subject of the Legation, or as he terms it, the Diplomatic Quarter, was furnished in a book published last year, by M. J. Pergament, of Peking. Among the things that Mr. Pergament points out is that the provision that Chinese were not allowed to reside in the Quarter was frequently violated, notably when Chinese officials and their suites took up their residence in the British-owned Wagon Lits Hotel, situated in the Quarter, this violation being winked at because it meant handsome profits for a British hotel. The provision that no new buildings were to be erected on the *glacis* has also been frequently violated.

Minutes of meetings held by the Diplomatic Body, which were "discovered" and made public by the Soviet authorities when they took over the old Russian Legation in September, 1925, are side to show that the Ministers were hardly ever in agreement when any matter of principle affecting the interests of the Quarter as a whole was involved and the result has been a series of contradictory rulings. Indeed things have got into such a shape that the author of "The Diplomatic Quarter in Peking" was led to exclaim: "Then (when the administration is merged with the rest of the city) there will be no more a Diplomatic Quarter, with its haughty aspect of an alien, shunning and privileged entity. Thus will the Diplomatic Quarter in Peking recede into the historic past from which there is no return, into the history of politics and the history of law. And no 'Tears of forgiveness' will be shed upon its grave."

The United States maintains a permanent marine guard at Peking of 450. Other Powers maintaining guards at their Legations are: British, 184 men; French 180 (including Annamites); Italian, 50; Japanese, 140.

Present indications are that the question of whether Nanking or Peking shall be the future capital of China will become a subject for controversy in this country as heated and as prolonged as that which the people of the United States engaged in almost two decades ago to decide whether the canal across the Isthmus of Panama should be a sea level or a lock canal. Generally speaking the Chinese north of the Yangtsze are in favor of retaining Peking as the capital, whereas the Chinese south of the Yangtsze are urging in the strongest manner that Nanking should be made the capital. General Yen Hsi-shan, the tuchun of Shansi and the present master of the situation at Peking, is reported to have wired to Nanking proposing that the seat of the Nationalist government should be Peking. General Yen supported his suggestion with the argument that beautiful government buildings have already been built at Peking. He further argued that Peking was in closer touch with Manchuria, Mongolia and the various foreign Powers whose diplomats were located there.

The leaders of the Nanking government make the following claims on behalf of Nanking. First of all the patriotic appeal: It was the cherished wish of the late Dr. Sun Yat-sen to make Nanking the capital, and he gave directions that his body was to be removed from Peking (where he died) for eventual permanent burial at Nanking. Another reason why the Nationalist leaders wish to remove the capital to Nanking is to have a visual demonstration that they have broken once and for all away from the old officialdom of Peking, with all that such an attitude implies.

Mr. Chang Ching-chiang, prominent member of the Nationalist Central Executive Committee, is particularly strong in insisting that the capital shall be removed to Nanking, and he is supported by General Li Lieh-

chun, chairman of the Nationalist Central Military Council, who bases his appeal particularly on utilitarian grounds. He points out that Nanking is close to Shanghai, the largest seaport and the commercial metropolis of China and connected with it by an excellent railway. With the shipping facilities on the Yangtsze river, the railways which have been built and which are to be built, he argues that Nanking is within much better reach of all parts of China and the principal ports of the world than is Peking. He believes that, with the Nationalist Central Government permanently established at Nanking, Chinese merchants and financiers will soon invest in Nanking and the cities along the Shanghai-Nanking railway. He cites the fact that Chinese merchants have invested hundreds of millions of dollars in the French Concession and in the International Settlement at Shanghai and he argues that there is no reason why they should not be encouraged to invest their money in Nanking. General Li believes that once the Nationalist Central Government is recognized by the foreign Powers and the Foreign Legations are moved down from Peking, land values in Nanking will increase considerably in value, thus more than repaying the government the expenses of putting up new modern government buildings and other municipal improvements in Nanking. General Chiang Kai-shek, Gen. Tan Yen-kai, and Dr. C. T. Wang, are reported as sharing the views of Mr. Chang Ching-chiang and Gen. Li Lieh-chun.

THE WHOLESALE ARREST OF CHINESE STUDENTS!

THE CHINESE authorities both at Nanking and Shanghai granted permission to Chinese students in the Shanghai district to hold a review of cadets at the Chinese public recreation ground located in the Nantao section of the Chinese city near the borders of the Shanghai French Concession. The review was scheduled for Sunday morning, June 10 and according to the original plans, Gen. Chiang Kai-shek, commander of the Nationalist forces was to be present and deliver an address. It happened, however, that Gen. Chiang was unable to come but he sent a representative and in addition there were also present at the review Gen. Ho Ying-ching, Chief-of-Staff and Gen. Chien Ta-chun, the local Nationalist garrison commander. An article about the cadet review and the fact that official permission had been granted, appeared on the front page under a top-head in the *Shanghai Sunday Times*, on the morning of the review. Hence the Shanghai Municipal police, or at least the British members of that department of the Shanghai Municipal Council who are able to read the English language, should have known what was going on. But their subsequent actions indicate they either did not know what was going on or if they did, they went out of their way to interfere with the activities of the Chinese students which can have no other effect than to increase the anti-foreignism prevalent in this district. What happened was this: A number of the Chinese students dressed in their new uniforms for the purpose of taking part in the review attempted to pass through the streets of the International Settlement in order to get to the public recreation grounds on the east side of the city. The only other way to get to the recreation ground from the west and north districts would be to go entirely around the Settlement, a distance of ten or twelve miles. When the students, all unarmed, but wearing their new cadet uniforms entered the International Settlement they were immediately arrested by the Municipal police and taken to the various police stations where they were divested of their coats and caps and turned out on the streets. The number of students arrested was given as 150 in an article which appeared in the *Shanghai Times* on Monday, June 11. In one case some 55 students who were in a motor truck were arrested in a body, taken to the police station and divested of their uniforms by Municipal policemen. The students were naturally enraged at this action of the Municipal police and have lodged an official protest through the Chinese Commissioner of Foreign Affairs. What will come of it, we do not know, but that the Shanghai Municipal Police have succeeded in creating anti-foreignism among some 5,000 Chinese cadets in this area, there can be little question. Elsewhere in this issue of *The Review* is a report of a recent address by President Coolidge in which he cautioned American citizens in China against "assuming an arrogant attitude toward local inhabitants." President Coolidge's remarks were naturally directed only toward American citizens in China, but it obviously wouldn't do any harm if the police authorities in Shanghai would also read over the remarks of the President of the United States.

NOW FOR THE NEXT STEP —RECONSTRUCTION!

THE COMPLETION of the military phase of the Nationalist Revolution through the occupation of the Peking-Tientsin area of North China by the Nationalist armies, has tended to turn the attention of everybody toward the problem of reconstruction. Here it would seem rests the solution of the major problem now facing the country—unification—a problem not only of interest to the Chinese people but to foreign well-wishers of China as well. After years of internal warfare China needs something to turn the minds of the people away from war and toward the works of peace. Instead of thinking about who is to control North China or Central China or South China, it is now time to begin thinking about who is going to complete the Canton-Hankow Railway; what is to be done about extending the Lung-Hai Railway into West China to open up a new field for emigration from the over-populated coastal provinces; what can be done toward the reclamation of the Hwai River area to open up a new area for the production of foods; what can be done toward the reclamation of the Yellow River; and what can be done toward the relief of famine in Shantung, Chihli and Honan. These are but a few of the problems facing the country, hence it is a relief to read the call which has been issued by Mr. T. V. Soong, Minister of Finance of the Nationalist Government for an Economic Conference, which was made public a few weeks ago. The original date of the Conference was postponed on account of the military situation in the North, but now that the major military activities have been concluded, Mr. Soong has announced the program for the proposed Conference. Mr. Soong in his memorandum suggested the holding of a Conference consisting of representatives of each provincial government, supported by technical experts, who would deal with the claims of the various sections of the community, and would definitely demarcate national and provincial taxes, reserving sufficient revenue for the administration of the provinces. In other words Mr. Soong's suggestion is that a budget system be introduced, this budget not only showing the anticipated income of the Government, but of the expenditure, and thus determining which of the taxes are to be collected by the Nationalist Government and which by the provinces. Mr. Soong in his memorandum recommending the establishment of a

budget mentioned that eighty percent of the revenues was being absorbed by military campaigns. Mr. Soong therefore recommended that a military conference should also be summoned which would determine the size of the standing army and the army estimates, and work out a plan for the demobilization of forces. Now that Peking has fallen into Nationalist hands it would seem to be an appropriate time to follow Mr. Soong's suggestion, particularly in this respect. In regard to the budget, Mr. Soong's plan is to divide it into two parts, one for the current expenses of the government, to be met by the ordinary revenues; the other for extraordinary expenses, such as the disbandment of troops, relief for the devastated provinces; consolidation of national and provincial loans, the replacement of rolling stock of the railways and other reconstructive measures, for which a large loan would have to be floated. As a preliminary to the holding of the proposed Economic Conference, the Ministry of Finance would call a conference of financiers and industrialists in Shanghai to submit their views on these problems. It was only in comparatively recent years (in 1921) that the United States established a Budget Bureau, and the savings effected thereby have been immense. As Mr. Soong truly stated in his memorandum, "the strict observance of a budget, however imperfect or crude, will be a tremendous step forward, as it would give rise to hope for the future of our country and enable all sections of the people to plan ahead."

THE NORTH-CHINA DAILY NEWS AND THE YELLOW TAXIS!

THE *North-China Daily News*, the officiai British newspaper in Shanghai, launched a vicious attack upon the promoters of the new Yellow Taxicab Company of China, in an editorial which appeared in the issue of that paper on June 7. The Yellow Taxicab Company of China, is an American enterprise in process of organization, application having been made for incorporation under the regulations of the China Trade Act. Aside from what has appeared in the advertisements which have been placed in the various foreign and Chinese newspapers, we know nothing about the merits of the Yellow Taxicab Company of China, but we do know that the regulations of the China Trade Act are rather strict and were designed for the purpose of preventing irresponsible concerns from taking advantage of its provisions. The criticism of certain alleged exaggerations in the prospectus of the Company may be justified, but that there are possibilities for a modern taxicab service in Shanghai and the other large cities of China is obvious. One taxicab company which started in Shanghai a few years ago by using rebuilt Ford cars has made a fortune for its promoters. It started on the proverbial "shoe-string" so far as capital was concerned, but has made good. We would not advise anyone to invest their good money in Yellow taxicabs or any other kind of taxicabs; neither would we advise them not to do so. But for the official British newspaper in Shanghai to launch a vicious and uncalled for attack on a new American concern which proposes to inaugurate a taxicab service in Shanghai, looks peculiar and should provide the American authorities in Shanghai with something to think about. It hasn't been many weeks since the various British newspapers here, including the "virtuous" *North-China Daily News*, were carrying columns and columns of advertisements of companies interested in promoting greyhound racing in Shanghai. But not one word of criticism on the part of the church-going editor of the *North-China Daily News*—and if there is anything more speculative than greyhound racing we would like to hear of it. But not one word of criticism, despite the fact that the greyhound racing promoters sold thousands of dollars worth of stock in this city to Chinese and foreigners alike. Why? Perhaps the reason was due to the fact that the greyhound racing concerns were British enterprises? Also it may be possible that greyhound racing does not compete with local British public utility corporations such as the Tramway Company and the Omnibus Company. The Yellow Taxicab Company of China promises to assist in the solution of the serious transportation problem of this city—but in doing so it might conflict with established British enterprise. Therefore the official British organ in Shanghai suddenly becomes very virtuous and tells its readers not to purchase stock in Yellow Taxicabs!

How Europe is Lining up on the Chinese Question!

IN a consideration of Great Britain's attitude toward the present situation in China, as indicated by statements in Parliament, which appeared in these columns of *The Review* of June 2, it was shown that the Government's attitude has been rather non-commital. Sir Austen Chamberlain characterized as "premature" certain statements by Commander Kenworthy pertaining to Japan's alleged intentions to establish a protectorate over Manchuria. Commander Kenworthy apparently was trying to find out the Government's attitude regarding protection of British interests in the event Japan did declare a protectorate over China's three eastern provinces of Shengking, Kirin and Holungkiang.

It is apparent from the more or less meager statements which have been telegraphed to the Far East that the British Government is again being confronted by advocates of more or less directly opposing views in respect to the Sino-Japanese situation. Liberal opinion in England is undoubtedly against Japan's present activities in Shantung and Manchuria, this being indicated in editorial comment which has appeared in the *Manchester Guardian*, and other liberal publications, while on the other hand British colonial interests all the way from Shanghai to Cairo are figuratively patting the Japanese on the back and telling them to go to it.

The British Government is thus being pressed from two sides similar to the situation last year when the question of military intervention and occupation of the Yangtsze Valley was under consideration. Last year British liberal home opinion won out and most of the British troops were recalled. British intervention is therefore no longer a question, but now the Government is being asked for approval of Japanese intervention and possibly for approval of a Japanese protectorate over Manchuria. Someone said last year that Great Britain always has two foreign policies, one manufactured before the famous bar of the Shanghai Club and the other in Downing Street. If this is correct, it probably is safe to say that the policy of the Shanghai Club-bar favors Japanese intervention even to the extent of grabbing Manchuria. This is indicated in the attitude of the

"official" British organ in Shanghai, the *North-China Daily News* which paper didn't think Chang Tso-ling would ever be defeated, and now that he has been defeated is painting a dark picture of complications likely to come from a clash between Feng Yu-hsiang and Yen Hsi-shan. The chief political writer on the staff of the *North-China Daily News* lets no opportunity pass for sowing seeds of discord among the Chinese Nationalists, his obvious purpose being to do everything possible to prevent the development of a unified Nationalist Government in China.

This apparently is British colonial policy toward the present Chinese situation and it yet remains to be seen whether the tail will wag the dog and ultimately swing *all* British policy in this direction. There are many observers of the Chinese situation in the Far East who do not think the recent visit of the Japanese grand fleet to Hongkong was a mere holiday outing. The *London Times*, generally looked upon as expressing the views of the British Foreign Office, recently stated editorially,

> "....the Japanese Government has declared itself — involuntarily perhaps, almost by force of circumstances — the most powerful arbiter of the issues of the Chinese civil war. The mere evidence that the Japanese are capable of acting decisively for the protection of their interest has sobered all the combatants. Japan for the moment bears a very great responsibility, which can only be effectively exercised if fully shared, on agreed principles, by all the Powers directly interested in China."

This statement, while ambiguous seemingly indicates that the Powers should cooperate with Japan and share some of the responsibilities—*but on agreed principles*. What are the principles? We leave it to the reader to unravel a meaning from the extract from the *Times* editorial which was cabled to the Far Eastern press by *Reuters*.

We now turn to Signor Mussolini who delivered a speech in the Italian Senate on June 5 in which he declared that if China denounced its trade treaty with Italy as China had done with Belgium and Spain "that the situation might be serious, especially as regards Italy's banking interests and commercial institutions, apart from her 11 Apostolic Vicariates." In concluding Mussolini declared that one of the bases of Italy's foreign policy was friendship with England; which reminds one of the incident last year when a company of fifty Italian sailors landed with some 20,000 British troops at Shanghai, thus making the landing force an "international" one.

Дядюшка Сам и его непочтительный племянничек.

The above cartoon is reproduced from a recent issue of the official Soviet Russian newspaper, "Izvestia." The heading of the cartoon reads, "Uncle Sam and His Impudent Nephew," while the banner which the Japanese soldier is holding is inscribed, "The Capture of Shantung."

Owing to the lack of a direct press service, very little is known regarding German public opinion in respect to the present situation in the Far East, but a few days ago the *Kuo Min*, official news agency, circulated a statement under a Berlin date-line which indicated that Germany was contemplating early recognition of the Nationalist Government. This information supposedly was received from one of the Nationalist representatives in the German Capital. There has also been little definite information regarding the attitude of France in respect to the present situation, about the only reports being included in the Japanese *Toho* service stating that the French press was generally supporting Japan in connection with the intervention in Shantung and Manchuria.

Then we have the League of Nations at Geneva, from which place the Chinese newspapers in Shanghai have recently received several telegrams, one quoting the *Journal de Geneve* as declaring "the Powers should realize accomplished facts and the Chinese people's sentiments. Since Marshal Chang Tso-ling is a moral loss, the Nationalists have actually united the country because they have the people's support in spite of intervention by the Powers. Hereafter the Powers ought to help China establish unity and the pacification of the country, since this favors international commerce. The unequal treaties which profit only a few merchants while ruining the whole of Europe, must not be maintained."

Probably the most interesting, though guarded, comment on the present Sino-Japanese conflict has appeared in the Soviet Russian press, copies of the official *Izvestia* containing accounts of the incidents at Tsinan early in May having been received in Shanghai last week. This comment is interesting because of Soviet Russia's recent "suspension" of diplomatic relations with the Nationalist Government. In addition to the editorial comment there are several cartoons, one of which is reproduced herewith showing a Japanese soldier carrying a banner on which is inscribed "The Capture of Shantung," while the Japanese soldier is thumbing his fingers at Uncle Sam. The articles and editorials carefully refrain from indicating the official attitude of the U.S.S.R., but the writers generally express sympathy with China and hope that the Chinese masses, "notwithstanding reactionary leadership" will find ways to effectively upset the intentions of Japanese imperialism. The

Russian papers devote a tremendous amount of space to descriptions of the Japanese activities in Shantung and Manchuria. Some of the editorial comment runs as follows.

"From today's telegrams it can be seen that the appetite of Japan has grown and the desires of the Japanese imperialists have been expressed in concrete form. If we believe the reports in the Japanese press, Japan wants to occupy Tsinan and Tsingtao and intends to transform them into Japanese concessions with all the consequences and to create a special railroad zone which will, of course, be under Japanese control. Japan has repeatedly stated that Manchuria is of paramount importance to her and that she will not be indifferent to political changes in Manchuria. The conflict which has lately developed between Japan and the military clique in Manchuria is not so serious that Japan would agree to change the Mukden group for the Southerners. This change will not be acceptable to the Japanese especially because it will mean the subordination of Manchuria to the Central All-Chinese authority which will mean an end to the present-day influence of Japan in Manchuria which the Japanese have been trying by all possible means to divorce from the rest of China.

"The recent Japanese declaration is a new step in the direction of the political wresting of Manchuria from China. It will lead to further exacerbation of Sino-Japanese relations. Even if later it will be found out that the Southerners have promised not to pursue Marshal Chang Tso-ling into Manchuria, Chinese opinion on both sides of the Great Wall will never consent to the Japanese plans of usurpation. The Japanese declaration will not find sympathetic ground anywhere in the world. It is true that Manchuria, contrary to Shantung and other parts of China, is in a different position and even the American Government has become more or less reconciled to the fact of Japan's exclusive position in that region.

As to England, it is practically certain that that country looks upon the position of Japan in Manchuria as a sort of outpost of imperialism against the U. S. S. R.

In addition to the editorial comment there were articles dealing with various phases of the Sino-Japanese clash, one being of particular interest to Americans. This report was as follows:

"There are no settlements, no Japanese concessions in Shantung; therefore the sending of Japanese troops to Shantung is nothing short of direct violation of the sovereignty of China. More than that the issuance of an ultimatum by the Japanese military commandant to the Chinese authorities on China's soil and also the opening of military actions after the expiration of the time limit set by the ultimatum, are all a direct and unquestionable symptom of a state of war.... Because the returning of Shantung to China was done as the result of direct pressure exerted by the United States of America and because the whole situation of the Washington Conference was such as to lead to the rupture of the Anglo-Japanese Alliance, the present actions of Japan take on an anti-American character, which situation is very interesting because it is indicative of new tendencies as to the revival of a British-Japanese rapprochement....

"The appeal of the Nanking Government to Secretary Kellogg is a powerful blow at the League of Nations and at the same time a blow to the directing group which is behind the League. The Nanking Government has, on the ninth year of existence of the League, demonstrated before the whole world a complete distrust in the peaceful character of the Geneva institution....

"The Chinese appeal to the United States is a realistic move on the part of the Nanking Government. It does not mean that the Government of the United States will take upon itself the role of an arbiter and an impartial one at that. It means that the Nanking Government is willing to give themselves away under the protecting hand of American imperialism. This move on the part of the Nanking Government will make the United States the leading power in the whole territory of China, with the exception of Manchuria. Such a perspective cannot of course but encourage Washington, but at the same time it will be met with extraordinary reserve in London and Tokyo. The Shantung conflict receives the character of a trial of strength between the major contending Powers for the domination of the Pacific...."

Who Bombed Marshal Chang's Train?

On the opposite and succeeding page of this issue of *The Review* are six pictures showing the wreckage created by the bombing of the Peking-Mukden train upon which Marshal Chang Tso-ling and his staff were traveling back to Mukden after the evacuation of the Peking-Tientsin district. According to the reports of the outrage which were telegraphed to Shanghai by the semi-official Japanese *Toho* news agency, the bombing occurred at 5:38 o'clock of the morning of June 4 just as Marshal Chang Tso-ling's train was passing under the viaduct of the Japanese-owned South Manchuria Railway. The original report and all succeeding reports sent out by the Japanese news agency placed the blame for the outrage upon Southern "plain-clothes" soldiers, the Japanese alleging that the wreckage was caused by "hand-grenades."

The pictures shown herewith unmistakably prove that no such damage could have been caused by hand-grenades, which are small explosives about the size of an orange that can be thrown a considerable distance by hand. The theory that the explosion was caused by hand-grenades is also largely disproved by *Reuters* correspondent at Mukden who sent out a dispatch on June 7 which was printed in the Shanghai newspapers on June 8, stating that the explosion must have been the work of experienced military sappers and that at least 200 pounds of explosive must have been used.

Reuter's complete report on the subject was as follows:

(*By Reuters Service*)

Mukden, June 7—As clearly proved by an inspection of the damage done by the explosion to the upper portion of the granite pillar, the destruction of the overlying steel structure and by the total wreckage of the roof and walls of the cars while the bottom of the cars was almost left intact, the explosion must have emanated from at least one, or possibly two mines which had been placed on top of the northern stone pillar underneath the steel structure of the South Manchuria Railway viaduct.

Experts estimate the amount of high explosive necessary to have caused such destructive effects at about 200 pounds. For timing the explosion to occur at the moment the car containing Marshal Chang Tso-ling, was passing, an accuracy of a small fraction of seconds was necessary. Therefore only an electric ignition was possible. For putting the mine in place and ready for the blasting, about six hours of work probably was required and everything here shows the hand of a military "sapper".

Witnesses declare that the place of the bombing outrage was closely guarded the previous night by the Japanese and all passersby were kept at a distance, but at daybreak the Japanese guards retired to (nearby) bomb-proof log cabins reinforced by earthen ramparts affording complete shelter. There are three of these (Japanese) bomb-proofs within thirty yards of the spot, the one west of the South Manchria Railway embankment affording an ideal view of the approaching Peking-Mukden train carrying Marshal Chang Tso-ling.

Between daybreak and the arrival of the train sufficient time apparently was not given for installing the mines. The lack of any authoritative investigation by competent bodies is regarded in some quarters as significant, while the fact that innocent hand-grenades, incapable of doing any appreciable harm to a train or track, have been made responsible for the terrible havoc wrought, is regarded with suspicion. The theory of a bomb inside the train itself is untenable.

In view of the Japanese charges that the bombing was done by Southern "plain-clothes" soldiers, it is interesting that the Chinese both in North and in South China and also in Manchuria have almost unanimously placed the blame upon the Japanese. The *Japan Advertiser*, the American newspaper in Tokyo in its issue of June 5 published a dispatch from Mukden stating that the Chinese were placing the blame for the bombing on the Japanese and as a result the Japanese Consul-General at Mukden had ordered all Japanese residents within barricades.

The Chinese newspapers in Shanghai have printed many columns of explanation regarding the responsibility for the bombing and by a process of elimination have generally come to the conclusion that the bombing could not have been possible without the knowledge of the Japanese military which had been closely guarding the area for several days and nights previously. The Chinese argue that there are four possible explanations of the bombing, (1) That it was done by adherents of Gen. Wu Chung-sheng, tupan of Holungkiang, who is alleged to have been plotting against Marshal Chang

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T. V. Soong's Financial Program

BY P. T. CHEN

A month ago, speaking before a gathering of prominent Chinese and foreigners in Shanghai, Mr. T. V. Soong declared with utter frankness that his immediate concern as the Nationalist Finance Minister was "to produce revenues to win the war against the northern militarists". But he promised to attack the heart-breaking extravagance and lack of system in the disbursements of public revenues and to tackle all the broader issues of public finance which involve relationships with the foreign Powers or settlement on a national scale "when we shall have defeated the northern militarists and when it is evident that the country is being unified".

Perhaps when the Minister made the above statement, he hardly expected that the Nationalist forces could reach Peking in a month. But, now, Chang Tso-lin is outside of the Great Wall (if he is still alive), Peking is flying the "blue-sky-and-white-sun" flag, and, whatever might be the relations among the victorious generals, China is unified nominally at least under the Nanking Government. Now that the military phase of the Revolution has concluded, (Chiang Kai-shek thinks so too) destructive measures will no longer be useful or justified, and constructive work, especially financial and economic reconstruction, must be started at once.

Military, Financial, and Economic Conferences Called

In anticipation of this necessity, Minister Soong has proposed and the Nationalist Government Council approved the calling of a series of conferences for formulating a policy of financial reconstruction for the Nationalist Government. His plan aims at co-operation with the people, the provincial authorities, and other administrative organs of the Government, especially the Military Council. First of all, the Government is to call a National Military Conference "for the purpose of limiting the number of troops, of fixing the amount for military expenditures, of dividing military districts, and of considering ways and means for the disbandment of soldiers."

At the same time, the Ministry of Finance is to call a National Financial Conference of the highest finance officials of the several Provinces to decide the following matters: (1) Appropriation for military expenditures, (2) Appropriation for administrative expenses of various governmental organs and also for constructive purposes, (3) Re-adjustment of existing public loans, subscription to new loans, and re-organization of currency system, and (4) Division of national and local revenues and establishment of the system of collecting and remitting of national revenues. The date for this Conference has been fixed for July 1st.

Lastly, before the National Financial Conference meets and as a preparation therefor, the Ministry of Finance is to call an Economic Conference at Shanghai of (1) leaders of banking interests and Chambers of Commerce, (2) leaders in industry, (3) specialists in public finance, and (4) representatives of organizations concerned. The delegates to the Conference, who are invited by the Ministry, shall propose and discuss various measures for financial reconstruction, their resolutions to be presented to the forthcoming National Financial Conference for action. As stated in the announcement of the Ministry, the main purpose of the Conference is to open the discussion of public finance to the people and to obtain their opinion. The Conference, whose agenda has not been officially published when this goes to press, is scheduled to meet before June 15, according to the latest announcement.

Unification Hinges on Finance

Without going into the merits and demerits of the forthcoming Conferences, we might attempt a few general remarks on the significance of the task before them. In the first place, it will be readily seen that financial re-adjustment is closely related to the political unification of the country. Although Nanking is now the capital of China, (as far as the Chinese people is concerned) it is not altogether clear whether Shansi and the Kuominchun,—and shall we say, the northern warlords remaining within the Great Wall and the Kwangsi Group supposed to be under Nanking authority—will accept Nanking dictatorship. So far the Nanking Government has relied on four Provinces, Kiangsu, Chekiang, Kiangsi, and Anhwei, for its revenues, with Shanghai contributing the largest share. Their Allies, though receiving some more or less voluntary offerings on the part of Chiang Kai-shek, had in fact their own areas of taxation, so to speak, in which they independently collected and spent their revenues. As it is now, Nationalist territories may be divided into four such areas, each with its own armies and own treasury: (1) Kiangsu, Chekiang, Kiangsi, and Anhwei, under Nanking; (2) Kwangtung, and Kwangsi, under Li Chi-sen; (3) Hunan, and Hupeh, under Li Chung-jen; (4) Honan, Shantung, Shensi, and Kansu, under Kuominchun, and (5) Shansi, Charchar, Suiyuan, Tatung, and Chihli including Peking under Shansi—Fukien being dominated by the Navy, while Yunnan, Kweichow, Szechuen and Sinkiang falling to none of these Groups.

From the viewpoint of finance, then, the present unification of China under Nationalist rule is more apparent than real. On the contrary, now that their common objective—that of defeating Chang Tso-lin and other northern militarists—has been accomplished, there will be an even stronger tendency for the military groups to fall apart; individual selfishness, mutual distrust and elbowing is apt to take the place of patriotic co-operation. Undoubtedly, the issue on which the political wheel will turn is finance.

Now, if following the Northern Expedition, the Ministry of Finance can collect national taxes in all provinces adhering to the Nationalist flag, and if disbursements are budgetized in such a way that revenues are equitably dispensed on a national scale and are not contributed to the war chest of one individual, especially if adequate appropriations for rehabilitation are provided for the devastated areas, then the commanders of troops will not be troubled with the scramble for funds and China will be indeed on the high road to unity and peace. Otherwise, there is bound to be a prolongation of regionalism and, Alas! more civil wars, until either factual self-government of the provinces is recognized or a leader appears who has both the force and the personality to make himself the common superior of the military groups.

Readjustments Needed for People's Welfare

Again, it is clear that financial reconstruction is of immediate necessity to the economic development of the nation. The relief and rehabilitation urgently needed in the war devastated areas, *e. g.* Honan and Shantung, as well as the numerous constructive works to be done throughout the country, will require huge expenditures. This means that adequate means must be provided for the disbandment of soldiers and that the enormous revenues that used to be spent on non-productive or destructive purposes must now be diverted to useful channels. It means also that recourse must be made to foreign markets for a large supply of capital and arrangements made to insure that this will be of benefit to all parties concerned.

In fact, the proper solution of all economic problems of the people is closely dependent on a sound and far-sighted policy of public finance. First of all, the abolition of likin and other vexatious and oppressive taxes, the building up of a centralized system of national taxation on a sound and equitable basis, the curbing of extravagance and corruption in public expenditures, the budgeting and systematization of disbursements—all these are of immediate necessity to the recuperation and promotion of business, industry, and the economic welfare of the masses, just as they are to the financial solvency of the Government itself. Then also, the long-talked-of problem of currency unification must now be tackled, with proper government control established over currency and the money market, the lack of which

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Tso-ling. This explanation, however, is ruled out because Gen. Wu Chun-sheng was himself seriously wounded if not killed in the explosion. (2) That the bomb was planted by adherents of Kuo Sung-lien, the Fengtien General who rebelled against Marshal Chang Tso-ling three years ago, but who was defeated and executed by Marshal Chang largely as a result of assistance rendered by the Japanese. (3) That the bombing was done by the Nationalists. The Chinese admit the possibility of these two latter explanations, but declare that such an action could not have been possible at this particular place because of the presence of Japanese military guards.

The fourth Chinese explanation places the blame on the Japanese alleging that for the past year the Japanese military interests and officials of the South Manchuria Railway have been seriously displeased at the increasing independence, or "nationalistic" spirit displayed by Marshal Chang Tso-ling and that they feared that his return to Mukden would be followed by an immediate declaration in favor of Nationalism on behalf of Marshal Chang and his followers of the Fengtien Party. Since the bombing of Marshal Chang there have been rumors in circulation of a possible attempt to restore the "Boy Emperor" Hsuan Tung to the Dragon Throne in Mukden through the connivance of the Japanese who would be expected to immediately declare a Japanese protectorate. The Manchu "Boy Emperor" since he left Peking about three years ago has been living in the Japanese Concession at Tientsin and recently it has been reported that he was planning to go to Dairen to live within the Japanese leased Kwantung area.

having in the past seriously affected business and the livelihood of the masses by causing frequent and violent fluctuations in the general price level. Again, the Government's policy in recent years of relying largely on domestic loans to meet deficits, which has, by increasing the rates of interest and diminishing the supply of capital, tended to limit consumption, lower the standard of living, and draw away much native capital from private business, must be re-shaped. Finally, there are other measures that must be taken by the Finance Ministry in concert with other administrative organs of the Government; for instance, the development of communication facilities, the encouragement of commerce and industry, the protection of capital and labor, the establishment of adequate educational funds. All these measures, calculated to lighten the people's burden of taxation and promote their interests, must be included in the peace policy of the Finance Ministry if it is to fulfill the Nationalists' avowed aim of reconstruction after revolution.

Financial Policy and Foreign Relations

Finally, finance is also one of the most important issues affecting foreign relations that must be re-adjusted. The question of recognition of the Nationalist Government as the de facto and de jure government of China by the foreign Powers as well as that of future political and economic relations between them, will be determined, in a very large measure, by the financial policy of the Government following the war. From the viewpoint of the foreigners, the question is that of protection of their vested interests and commercial opportunities in China and of the Nationalist Government's ability or readiness to fulfill its financial obligations as the successor of the defunct Peking regime. From the viewpoint of the Chinese people, it is that of revolt against foreign economic domination and of restoration of China's financial independence.

Such questions as tariff autonomy, revision of commercial treaties, the abolition of fraudulently or forcefully obtained foreign concessions, of mining, railway, and other economic rights, including the so-called "special interests" of certain foreign Powers, as well as all other financial problems relating to the status of foreigners in China—all these will now have to engage the attention of those charged with the formulation of the Government's financial policy. Perhaps the most ticklish and difficult problem is that in regard to China's foreign loans or public debts, on account of the lack of accurate knowledge about them and of the many conflicting, political interests involved. How all these questions may be settled in the best interests of all parties concerned is undoubtedly a hard nut to crack, but a bold and sincere attempt must be made by the successor to the Peking Government if a new era of international relationship is to be opened for China.

An Opportunity and a Challenge

Thus we see that the end of the Northern Expedition finds Minister Soong face to face with a host of weighty and knotty problems, on the successful solution of which will depend his final triumph as a national reformer and financier as well as the real justification of the Nationalist Regime and the future welfare of the nation. Difficult as his job of producing revenues during the war was, the uphill task that lies before him now demands yet greater effort and statesmanship. And the achievements of peace are greater than the works of war!

Shanghai, June 9, 1928.

Diplomatic Body Makes a Plea for Order at Peking

Peking, June 5.

M. Oudendijk, the Senior (Netherlands) Minister, on the evening of June 4 sent the following wire on behalf of the Diplomatic Corps to General Tan Yen-kai, addressed to the Foreign Office at Nanking:—

"I shall be greatly obliged if Your Excellency will kindly transmit by wire the following telegram to General Yen Hsi-shan, General Chiang Kai-shek and Marshal Feng Yu-hsiang:

"'The Diplomatic representatives of the foreign Powers have the honor to draw the attention of the commanders of the Chinese armies approaching Peking to the fact that an interim period may occur in which the population of this city may remain without protection. They have learned that General Pao of the Fengtien Army is staying at present in Peking with the sole object of maintaining peace and order at the request of the Committee of Elder Statesmen.

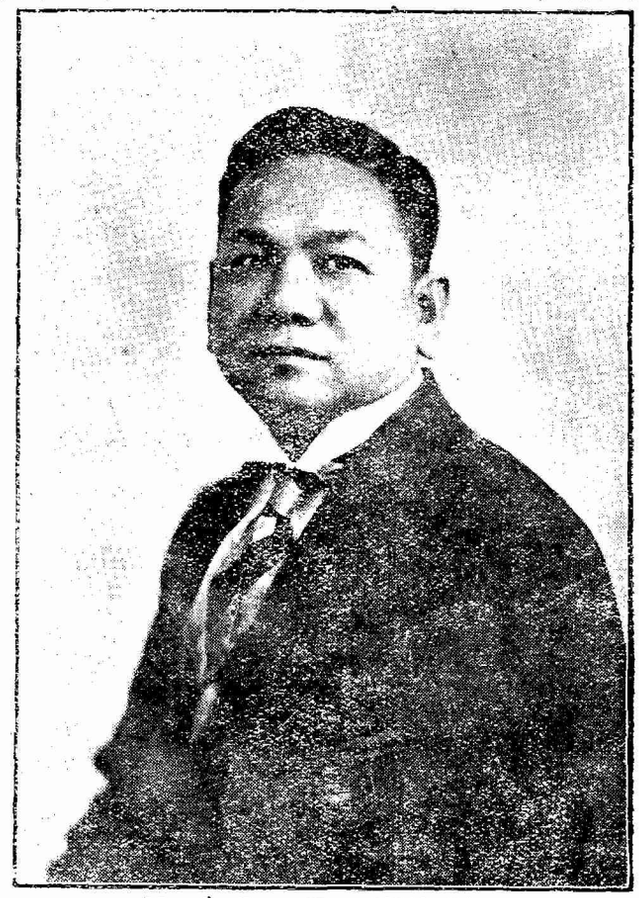
"'Without desiring to interfere in the least in any military movements in China, the representatives of the Powers, having in view only the safety of the foreign residents as well as of the population in general, would feel exceeding gratified if the armies commanded by Your Excellencies would leave General Pao's force in Peking till the protection of the city can be taken over by the incoming troops under some arrangement whereby provision could be made for General Pao's men peacefully to withdraw.'"

Overseas Chinese Send Large Contributions

BY TUNG FOO-HSU

The sensational news of the audacious Japanese action in Tsinantu, violating International Law, infringing the Chinese territorial sovereignty, and indiscriminate massacre of thousands of Chinese lives, have aroused a tremendous moral indignation among the Malayan Chinese in general throughout the Peninsula.

The Singapore local Chinese community, including the Straits born and China born elements, are launching a universal, quiet but persistent, campaign for the Shantung Relief Fund. This relief fund, needless to mention, is of a peculiar description, different from the precedent innumerable famine relief funds, such as the Canton and Swatow funds and various others. (As Singapore has recently become so "notorious" a benevolent city, which our troubled China always resorts to for financial help from her dutiful sons, readers may still remember the recent voluntary contribution $100,000 by Mr. Au Boon-fu, the local millionaire, towards



Mr. Au Boon Haw (胡文虎)

A Singapore millionaire, who recently contributed $28,000 for the Shantung Relief Fund and states he is ready to give more in case it is necessary.

the founding of a benevolent institution in Shanghai). It is apparently to be an anti-Japanese fund, and therefore is more appealing and most probably more successful.

Enthusiastic Support Despite Slump

On the 17th instant a general meeting among the representatives of respective institutions, associations, clubs, trades unions and *Kweiknan*, was summoned by the E.O. Hsien Club of Tan Kah Kee & Co. under the auspices of the Chinese Chamber of Commerce. Many thousands of Chinese were present. The Chamber gates were heavily guarded by the police. Japanese emissaries were peeping about. Nevertheless the meeting was a success. Unanimous resolutions were passed, and a committee composed of a chairman and a vice-chairman, 6 treasurers, 2 auditors, 4 secretaries and about 100 members representing different organs of the local community, was instituted. Tan Kah Kee was elected the Chairman of the Committee. Ever since the inception of the campaign, the work has been carried out with astonishing result and wholehearted support from all the sections and classes of the com-

munity, notwithstanding that people here are suffering a financial crisis due to the rubber slump resulting from the apprehension of the removal of the rubber restriction. The general enthusiasm in response to the campaign for funds may be gauged from the fact that only a few days ago an old lady of advanced age voluntarily contributed all her jewelry to be disposed of by the Committee for the relief fund; a rickshaw coolie contributed his monthly wage amounting to $60 towards the purpose; and unanimous resolutions were passed by various trade unions to the effect that 20 percent of their wages should go for the fund till the situation warrants dispensing with additions to the fund. Contribution from all sides are still streaming in awaiting remittence. So far as reported, within two weeks, half a million was remitted by the Ho Hong Bank and still more will be remitted. Among the contributors, Messrs. Au Boon Haw and Tan Kah Kee are the foremost figures; the former so far has contributed $28,000 and the latter $10,000. Mr. Tan Kah Kee would have contributed more had he not suffered from the recent rubber slump. As a whole the patriotic enthusiasm on the part of the Singapore Chinese is exceedingly commendable.

It is noticeable that the Chinese here are making every effort to avoid any repetition of the disorders which occurred during the anti-Japanese movement of 1919, when troops were called out to patrol the streets, Japanese residents were assaulted, and the Chinese shop-keepers in possession of Japanese goods were forced to burn them in the streets. Up to the present the Japanese community in Singapore, which numbers about 3,000, has suffered no personal unpleasantness, and the precautions taken by the authorities for their protection have happily proved to be unnecessary. While the Chinese are exhibiting commendable calm and self control, and are generally speaking obeying the admonition of the Chinese Consul General to avoid any organized demonstration which would be contrary to the law and order of the Colony, there is to be found a quiet but unanimous determination to boycott Japanese business in Singapore, and it seems inevitable that Japanese firms doing business in the city will suffer considerable losses at least so long as the outstanding question is not satisfactorily solved.

Tin and Rubber Boycott

In particular the Japanese firms engaged in the export of tin and rubber are finding that Chinese will not sell these commodities to them, and, while it is of course open to the Japanese to deal with the European firms, their business must suffer from dislocation of so many long-established commercial associations. Nothing has yet been heard of developments on the Japanese rubber estates and mines in Malaya, and although it is rumored that the Chinese grocers and food shops are refusing to supply Japanese customers, it is learnt from a reliable Japanese source that no difficulty has yet been experienced in connection with their food supplies. The Japanese import business will suffer much more heavily than their export business, as their principal imports into Malaya are piecegoods, which have been making very remarkable progress in local markets during the recent years, and the sale of their piecegoods is dependent upon the willingness of the Chinese retail dealers to buy them.

Wholesale Orders Cancelled

Japanese goods already imported by the Chinese firms continued to be offered for sale, but wholesale orders by Chinese firms placed in Japan either directly or through the agents in Singapore, have in great many cases, been cancelled. There is a considerable quantity of Chinese vegetables and other food stuffs from China which in the past have been brought here by the Japanese vessels as cargoes picked on the way here from Japan. Already, it is stated locally, several such shipments that were awaiting the arrival at Amoy and other China ports of Japanese vessels have been cancelled and the trade is to be converted from Japanese to other vessels. The Japanese fishing industry, which has played a very important role in the Chinese market, is experiencing a severe loss due to the unwillingness of the Chinese consumers to buy the Japanese fish; the Japanese fishermen are constrained to throw away baskets upon baskets of decayed fish into the sea, in spite of their repeated attempts to dispose of them at reduced price. The very considerable use of the Japanese matches by the Chinese owing to their cheaper price has also been discarded in favour of Swedish and other matches, and while it is anticipated that advantage will be taken of the occasion by Chinese match manufacturers to make a determined bid for the local market. Japanese chemicals, including potassium cynanid and alum, have a large market among the Chinese here, and this business has hitherto been held by the Japanese agents, will temporarily be lost to them. Such will also be the case, according to the local Chinese views, with the Japanese firms doing a large amount of import and distribution business in Japanese made bicyles and bicyle accessories, including the bicycle tyres and tubes. Also it is believed that the boycott has already extended to those Japanese shops, which in addition to retail sales, do a large wholesale business with the China town shops in such articles as do not find ready purchase in other parts of the city.

It is reported that in spite of the rubber slump, rubber being the staple product of British Malaya, which affects the whole financial situation of the city, at least one million may be easily raised in view of the public enthusiasm towards the relief fund; and in the event of the necessity of national defense, more might be expected. According to reports available, in Sembilan, one of the leading cities under the Dutch administration, more than three millions have been amassed for the relief fund; Manila Chinese are ready to contribute seven millions, and in case of actual war, thirty millions. So Singapore is generally considered to be a little bashful this time in the competition, and every Chinese is cursing the rubber slump, without which financial obstacle, the Singapore Chinese might have led the Campaign in the Oversea Chinese Patriotic Fund in view of its bulk of Chinese trade and population. Nevertheless, their enthusiastic and significant services towards their fatherland are exceedingly commendable.

Singapore, June 1, 1928

Ex-Chicago Anarchist Builds Soviet Railway to Chinese Border

By Walter Duranty

(*In the New York Times*)

From radical agitator just one jump ahead of the Sheriff to manager-in-chief of the most important railroad now building anywhere in the world is a considerable change in less than ten years.

That is the record of Bill-Shatoff, former American anarchist and now in charge of construction of the Siberian-Turkestan Railroad, which will open a Central Asian Golconda to the Soviet Union and add hundreds of millions to the national wealth.

Since his arrival in Russia ten years ago Shatoff has been a "pinchhitter" in a dozen key positions. He helped with characteristic vigor to repel General Yudendich's drive on Petrograd. On another occasion this anarchist—who curiously enough never joined the Communist Party—went to the Kremlin to "sift the sheep from the goats" among 500 alleged anarchists arrested as the result of a bomb outrage when an anarchist group killed a score of Communists.

"We saved the good ones," says Shatoff with a grim chuckle, "and let them deal with the rest."

Big Jobs He Has Tackled.

Later he collaborated with Serebroski in putting the Soviet oil industry on its feet. Then he was a bank President at Rostoff, then one of the directors of the Soviet Metal Trust, and now is building a railroad. He is always cheerful, nervy and efficient, and always successful.

The "Turksib" Railroad, as the Russians call it, will link branches from the Transsiberian Grand Trunk system to a branch from the Moscow Central Asian system. It will cost G.$100,000,000 extend 1,500 kilometers (930 miles) and be finished in four years, or sooner, because by the end of this year more than a third will be completed.

There are 27,000 men at work down there near the Chinese border, and this year's expenditure is more than G.$16,000,000, of which G.$2,000,000 will be spent in the United States for equipment—steam shovels, airdrills, compressors, perforators, auto dumpcarts, cranes, excavators, stone crushers, concrete mixers, &c.—because the Anarchist Shatoff, who narrowly outjumped the Chicago Sheriff, is a 100 per cent. advocate of American methods of equipment in his new avatar as oil and metallurgic official and road magnate.

The railroad was planned to start from Pishpek—now called Frunze, after the late Soviet Minister of War—in Northeastern Turkestan. But that involved an expensive route through a mountain range. Shatoff proposed, and got adopted, a route ninety miles longer from Lugovaya station on the Tashkent-Frunze branch line and saved 27,000,000 rubles. He economized another 12,000,000 and shortened the line seventy-four kilometers, bringing it closer to the eastern end of Lake Balkhash, which some day will be the Lake Superior of Soviet Turkestan.

Region Rich in Minerals.

"You see," Shatoff explained, "all that land north of Balkhash is enormously rich in nonferrous metals, copper, zinc and lead. That is proved already and once we can build roads we can freight it along the lake to the railroad. There is gold, too—the whole region is just flooded with minerals."

What Happened at Tsinan

BY EYE WITNESSES

The following is a condensation of an account of the incidents at Tsinan in the beginning of May, recorded by eye-witnesses in the "Bulletin" of Shantung Christian University, in the issues of May 5 and May 19, 1928.

Tsingtao, May 24.—Some reports have stated that the southern soldiers did much looting. We cannot yet know how much they looted among the Japanese, but we know thay had very little time before the Japanese soldiers got after them. There was no looting by the southerners from the Chinese nor from any foreigners' aside from the Japanese, except at Stein's Hotel. The forces occupied mission property, but left everything in good order.

We do know that the Japanese took money and valuables from the Chinese houses and stores, and from those stopped in the streets, as well as from the houses of the Chinese members of the Cheloo staff.

When searching the city for soldiers many of the people were so frightened they dared not open the door to let the Japanese enter to search, and the soldiers were (reported to be) merciless in carrying out their orders to kill all those who resisted in any way.

The worst known case of needless cruelty was the killing of some scores of wounded and sick soldiers in a hospital. The exact number is not known, but the figures generally given are 120, including 20 to 30 of the neighbors who crowded into the hospital, thinking that they would surely be spared. There was a red-cross flag over the door; the doctor and attendants wore red-cross arm bands, and most of the patients were lying on their mats. But there must have been some sort of resistance at the doors, for the side door was broken in. All were attacked, some with rifles and some with the bayonet, the doctor, the nurses (all men) the wounded on their mats, and all the rest, including a priest from the temple next door.

The Exit of the "Ancient Regime" and the Coming of the Nationalists

Written May 3rd.

During the last two weeks Tsinan has been the stage for astounding and rapidly shifting political and military scenes. Over-night, as it were, Tsinan has become a great military camp.

What happened? Like Caesar, the Nationalists came, saw and conquered. The Northern debacle almost beggers description. On Saturday, April 28th, Northern soldiers began to throw away their caps, their uniforms, their arms: of rifles they left behind heaps so high that even the 600,000 Nationalists in the province cannot dispose of them. For two nights and two days Tsinan heard the ceaseless tramp and saw the endless lines of defeated, dejected, dead-tired men and boys streaming northward towards safety. On Tuesday morning, May 1st, Chang Tsung-chang's special private train crossed the Yellow River. The Tupan's special was followed by an armored train, manned by Russians. The last act of vandalism of the retreating hosts was the dynamiting of the supports on the fourth pier (from the south) of the great Yellow River bridge.

Soon after daybreak on May 1, before the Tupan's train had left the Tientsin-Pukow Railway station, Southern cavalry patrols reached Tsinan in the vicinity of the University. An hour later Southern infantry began to appear. Within two hours after the first arrivals Kuomintang lecturers were explaining to the admiring crowds the basic ideas of the "Three Peoples' Principles". Immediately there appeared posters of every description, telling sentences and phrases extolling the virtues and advantages of the new order. One circular wished the best for everything new and radical: "Long live the Kuomintang!" "Long live the Nanking Government! "Long live the Chinese Revolution!" The few schools that were still in session at once granted a holiday of several days. Within 48 hours of their arrival the Nationalists had occupied considerable mission property (the University having escaped so far). The large foreign building of the City Y. M. C. A. has become the head-quarters for Kuomintang propaganda. All the old flags fled before the assaults of these propagandists; thousands of new national flags, Nationalist army emblems and Kuomintang streamers have replaced the old banners. In short the break between the old and new could hardly have been more sudden, abrupt or theatrical. We are dazed; waking up in a new mental world.

The Japanese started a race with the Nationalists for Tsinan. The Japanese troops won. On April 23rd, 620 Japanese arrived from Tientsin over the Tientsin-Pukow Railway. Three days later some 500 more arrived from Japan by the way of Tsingtao. By the evening of the 28th, when the Nationalists cut the Tsinan-Tsingtao Railway, there were 3,000 Japanese soldiers here. On Sunday, as soon as the evacuation of Tsinan by the Northern forces became probable, the Japanese military authorities delimited two protected areas within the settlement. Within these two areas is found most of the Japanese property such as the Japanese Hospital, the Japanese schools, the Yokohama Bank, the Japanese Club, three of the Japanese temples and shrines, two of the Japanese hotels and the Japanese consulate. The entrances to these areas are barricaded with sandbags and wire entanglements and guarded by Japanese soldiers and an armored car.

During the evacuation of Tsinan. the Japanese troops patrolled the whole settlement, but with the coming of the Nationalists they restricted somewhat their operations outside of the protected districts. Yesterday, May 2nd, they succeeded in bringing from Tsingtao to Tsinan more than 1,000 additional Japanese troops. Whereas during the retreat of the Northerners the presence of the Japanese was thought by some to be an element of safety. After the arrival of the Nationalists, however, the situation changed rapidly. The greatest danger in Tsinan now seems to be the presence of the Japanese troops and the existence of the special area. An incident occurred today (May 3rd) as a result of which there were a number of casualties on both sides. As yet it is too early to say what was the exact cause of this unfortunate clash.

To-day three facts stand out vividly. (1) The masses are jubilant over the passing of the old order. (2) They are welcoming the new regime, the Nationalists, with sincere enthusiasm. (3) The presence of the Japanese troops and the protected areas are being viewed with increasing hostility. What the Nationalists will and can do with a situation conditioned by these outstanding facts time alone can tell.

The Sequel

Written May 27th.

No May 3, the enevitable clash between Japanese and Chinese troops occurred and considerable street fighting kept up all day. The fact that the Japanese had the night before removed many of the barriers and that the Chinese troops were moving freely around the Settlement and occupying quarters there would indicate that the clash was a surprise to most if not all on both sides. Stein's Hotel was partly looted, many Japanese and many more Southern soldiers and Chinese civilians were killed, and about 1,000 of the Southerners were kept prisoners in the Post Office. The subsequent fate of these latter is variously reported. While little damage was done to property the loss of life seems to have been considerable.

The Japanese authorities promptly took advantage of the situation to seize the Kiao-Chi Railroad and destroy the wireless and to set up a stringent blockade of all avenues of approach to the Settlement. Many Chinese civilians were killed as they ventured on the streets. The Chinese soldiers were withdrawn immediately from the vicinity of the Japanese, and by the evening of May 4th, had largely left the walled city also, streaming out in long columns to find quarters in the villages.

Sunday morning, May 6th.

One of the Northern airplanes, which had been bombing the city and killing or horribly maiming many civilians, caught fire and fell (west of the city) in a huge red ball of flame with a tail of black smoke.

A trip through the city revealed the state of siege. The hopes raised so high by the peaceful entry of the Nationalists and by their very evident desire to treat Tsinan well had now begun to fall and were doomed to change to utter despair and panic as the Japanese pressed their demands and seized the city. On Monday the consuls were confident that further fighting was inevitable. After the issuance in the afternoon of the Japanese ultimatum (to the effect that the Nationalist forces should withdraw from the whole region round about Tsinan) the evacuation of as many as possible of the foreign staff was determined upon. It was only the strongest appeals of the consuls to avoid international complications which finally effected the evacuation. During the following days of open warfare, the handful of British and American men and women remaining on the campus more than once gave thanks that so many had unselfishly gone away to diminish the chances of injury and disaster.

Tuesday morning, May 5th.

The special train flying the British, American and Italian flags carried the evacuees to Tsingtao. By noon the women students had also been brought to the station, from which they left for Tsingtao the next day. Tuesday morning the Japanese seized the barracks and hills on the north, west and south of the Settlement and City and by noon began their attack on the City itself.

(Continued on page 87)

Advocates Abolition of Extraterritoriality

The following is a translation of an article by Mr. Masanao Hanihara, former Japanese Ambassador to the United States, which appeared in the Japan Advertiser, the American newspaper in Tokyo, on June 1. The article appeared originally in The Gaiko Jiho, or Japanese Diplomatic Review.

CHINA is still, as before, in a state of anarchy and nobody knows when peace will be restored. How can it be saved from difficulties? In replying to this question, it is necessary to inquire into the causes of civil war. They are both external and internal. The Chinese can remedy their internal troubles by themselves but the solution of external difficulties requires harmonious action with their foreign friends. These troubles are causative of one another and are responsible for China's present national adversity. The Chinese cannot save themselves from international complications unless they are helped by the Powers, but after surgical treatment, their national life will become sound. That is the only means for the Powers to get rid of the difficult China situation.

The Unequal Treaties

The intricate international relations of China are traceable to the unequal treaties. From the Nanking treaty of 1842, and the Tientsin treaty of 1858 up to the rising of the Boxers in 1900, the foreign affairs of China are a history of national disgrace and humiliation. Exterritoriality is the consistent plea of foreign nations permeating all unequal treaties of China, ever widening rather than diminishing in extent and causing deep Chinese resentment. Japan acquired her privileges subsequent to 1896, but has since that time been an object of hatred. Lately the Chinese are represented as more eager for the recovery of tariff autonomy than the abrogation of exterritoriality, but it must be borne in mind that that is a movement of the war lords for their ambitious purposes on the excuse of justice and at the cost of traders of all nationalities. Since the first revolution, the national movement of China has grown stronger; but only in some cases, it is by her voluntary action; in others, it is fomented by foreign agents in their own interests.

The other cause of China's complicated international relations is jealousy among the Powers. Having been helpless before invaders, China has practised the art of setting barbarians against barbarians that she might safeguard her existence, and this old practice is responsible for the difficulties of foreign intercourse; but the Powers will have to share China's responsibility to some extent. It is urgent to save China from adverse circumstances in international politics and to induce that nation to believe in the friendly sentiments of the Powers. Nobody will doubt that it is best for the Powers to demonstrate their good will towards China, and good will can be shown by the immediate abrogation of exterritoriality on the understanding that China should organize a strong and responsible national Government. It is important for this purpose that the Powers issue a joint declaration. Japan is so circumstanced as to discuss this question with them, because 80 per cent of the foreign residents in China are Japanese.

Exterritoriality

The retention of exterritoriality by the Powers is most justifiable. In the event of foreigners being protected by China's law, they will become cautious of their behavior and the Chinese will be relieved from unnecessary care for daily contact. They will get on well enough with foreign nations. I do not think that serious difficulties will follow the abrogation of exterritoriality. Even if foreign residents suffer some difficulties, yet their inconveniences will be counterbalanced by liberty of abode and business as well as by the enjoyment of individual rights.

The recovery of tariff autonomy is separate from exterritoriality, because the Powers cannot be expected to abandon their acquired rights unconditionally. It is a question whether unconditional abandonment will conform with the best interest of China. The abrogation of exterritoriality will relieve the Chinese from undue care, but the abandonment of acquired rights by the Powers will prove harassing to them. Increased burdens will be used for international feuds. Foreign enterprises and commerce in China are mostly based on acquired rights. If they should be subjected to the arbitrary government of China, international industries in that country would be threatened. The customs revenues of China are pledged as security for enormous foreign loans, so creditiors will not permit China to assume control. The Powers should, however, be indulgent with China and harmonize their actions as far as the tariff question is concerned.

Maintain Treaty Rights

The powers in China are jealous of one another. The elimination of rivalries was recognized as necessary at the Washington Conference, and this spirit is embodied in the Nine Power treaty. But they are as jealous as in the past, only allowing China to play upon their weak points. Japan, who readily sacrificed her considerable interests at the Washington Conference, may be in a position to use her influence, and it is best for an effective China policy that Japan harmonize her action with the Powers.

Nowadays treaty rights are considered inviolable. The disarmament movement is tardy, yet, for all that, the trend of the times is extremely adverse from adjusting disputes by armed means, making the fulfilment of international obligations the more important. In China, however, the infringement of treaty rights is too frequent. Indulgence with delinquent China will obstruct the safeguarding of legitimate rights and interests and precipitate China into impossible adversity. If the writer is informed aright, certain Powers contend that they need not protest against the unlawful levy of customs duties for the reason that they have to authorize those steps of China sooner or later. No argument could be more mistaken. The Powers must resolutely frustrate such an audacious undertaking. The writer holds that the defense of treaty rights is far more important than the protection of a limited number of residents by armed forces. In conclusion, he points out that pending questions relative to commercial concessions and other affairs will be settled by the abrogation of exterritoriality.

Continued from page 86

The Raid on the University

Wednesday, May 9th.

The Japanese entered the campus of the University mounting machine guns, digging trenches, firing Stokes mortars, and intruding into the homes in the Model Village, where they stole some things and damaged others. Thursday the bombardment continued and at night the city fell. As the field guns were small and fired shrapnel the damage to property was not as large as one might suppose after three days of fighting, one street of houses burned, and the destruction of the gatehouse of the west gate gives full evidence of considerable damage. Many civilians as well as soldiers were killed and this loss of life made far greater impression on the people than did the loss of property. Indiscriminate shooting by the Japanese in the streets for the following two days resulted in the death of many more civilians and caused a general exodus of all who could get away.

Our turn was yet to come. Fierce indignation over the attack on the city became a very personal concern when the campus and the students themselves were thoroughly searched. Early Friday morning 11th, a small party of Japanese soldiers arrived and did a little searching of houses. At the same time a large number of Japanese soldiers dug trenches just east and south of the campus and occupied several homes in the Model Village-ruthlessly driving out the owners and destroying or stealing as they pleased. Just as we thought we might be successful in holding the students together in spite of their expressed desire that we close schools, a new body of Japanese troops arrived, stating that any who left the campus would be shot and demanding an instant search of the premises. Some of the faculty were held under guard in McCormick hall and others were detailed to aid in the search. The excuse given for the search was that the campus was said to harbour someone who had fired on Japanese soldiers and had killed two of them. We who had been on the campus day and night during the fighting knew this charge to be false. Students were searched twice, even to the taking off of their shoes. Dormitory rooms were turned wrong side out and all papers and letters looked through. The searchers seemed greatly disappointed in finding no arms and in discovering at worst merely some papers denouncing "Japanese imperialism" and her "running dogs". At one stage of the search they threatened to arrest all the students and at another to arrest Dr. Peter Kiang, (the acting president) but finally went away with a statement from the University to the effect that we would attempt to prevent anti-Japanese propaganda on the campus. The next day, realising that they had gone too far a high officer was sent to express regrets. It was too late to save the situation then and I think he knew it.

The students who had weathered the storm of the bombardment could stand up no longer. The call to avenge the loss of the city, the utter distraction of mind from study, and the apprehension of further terrorism were most potent among other reasons, and a swift departure took place.

Japanese News Reports on the China Situation

The following news items are summaries of the reports dealing with conditions in China which are sent to the foreign and Chinese press by the semi-official Japanese Toho news agency and are a continuation of similar reports which have appeared in the columns of The Review since the beginning of the Sino-Japanese crisis in Shantung on May 3 of this year:—

Tokyo, June 6—Owing to critical condition of his father, Chang Hsueh-ming, second son of Marshal Chang Tso-ling, left here for Mukden today.

Mukden, June 6—Since last night there has been a growing rumor of the death of Marshal Chang Tso-ling, owing largely to the fact that no persons except his near relatives are admitted to his room and also to the fact that telegrams have been sent to his sons, Chang Hsueh-liang and Chang Hsueh-ming and his near relatives and even his advisers to come to Mukden. It seems true that the Marshal is in a hopeless condition, but it is absolutely impossible to obtain accurate reports because no one entering the sick-room is permitted to go out again.

Tsinan, June 6—Order in this district is being gradually restored and 80 percent of the small shops and 60 or 70 percent of the middle-class shops have resumed business; however the money-exchange and wholesale shops remain closed. Though the police are endeavoring to maintain peace in the city, cases of robbery and theft are frequently occurring. This is due to the fact that 30,000 Chinese are out of employment. Bandits are also active in outlying areas, it being reported that 1,000 remnants of the Chihli-Shantung troops are appearing in Chiho and Tungping. Business transactions with up-country districts are at a standstill.

Tokyo, June 6—Premier Baron Tanaka returned to the Capital today from his week's rest to attend a Cabinet meeting.

Tsinan, June 6—Of the Southern troops held prisoner by the Japanese, some 960 men who are natives of the Southern Provinces left for Tsingtao today under an escort of Japanese troops. They are being sent to Shanghai for handing over to the Chamber of Commerce.

Hongkong, June 6—Owing to a conflict between the Anti-Japanese Boycott Committee organized by the merchants organizations and that formed by the various other organizations in Kwangtung, the anti-Japanese movement at Canton is at a standstill. Such being the case it is not believed the boycott of Japanese goods will materialize.

Tientsin, June 6—The foreign garrisons requested the Chinese railway authorities to reserve two trains at Tientsin for transportation purposes. The Chinese have complied with the request.

Mukden, June 6—Col. Dohihara, Japanese adviser to the Peking Government, who withdrew from Marshal Chang's residence at 4;30 p.m. stated that Marshal Chang had his left arm fractured, his right arm dislocated, his head and forehead injured and is suffering from concussion of the brain and still has fever. He is, however, improving.

Tientsin, June 6—About 40 Chinese students and soldiers who have been detained at the Tungchimen prison in Peking on charges of staging an anti-Japanese demonstration parade, broke prison today. Two were shot by the police but the rest escaped.

Tsinan, June 6—Gen. Chiang Kai-shek has addressed a telegram to Lieut.-General Matsui, chief of the Japanese Military Intelligence Bureau who is now in Tsinan stating that he is sending Gen. Chang Chun, director of the Kiangnan Arsenal to Tsinan as his representative and it is arranged that Gen. Matsui will see Gen. Chang Chun at Tangchiachuang on the Tientsin-Pukow line. It is understood that Mr. Nishida, the Japanese Consul at Tsinan will be present at the conference.

Mukden, June 6—The Chinese authorities, yesterday officially notified the Japanese Consul-General to the effect that martial law has been established within the city wall under the control of Generals Chi En-ming and Chen Pao chung.

Tsinan, June 7—The arsenal of the Northern army situated to the east of the fifth street and behind the park of the Commercial area, was blown up this morning. It seems that some Southern plain-clothes soldiers were engaged in stealing the gun-powder and accidentally ignited the arsenal. Japanese factories nearby sustained great damage and a few Chinese were killed.

Tientsin, June 7—While passing the Third Special Area (ex-Russian Concession) yesterday afternoon two assassins attempted to shoot Gen. Chang Chung-chang, but failed to kill him. The two assassins are Chang Pao-chi and San Hsieh-yuan by name and are said to have been previously connected with former Chihli Military Governor's office.

Tokyo, June 8—An attempt was made on the life of General-Baron Tanaka today by a man who tried to stab the Premier with a Japanese dagger. The man was arrested and proved to be a secondhand goods dealer a native of Shizuoka Prefecture.

Tsinan, June 8—Lieut.-General Matsui, chief of the Military Intelligence Bureau who is now in Tsinan, held a conference in a private capacity with Gen. Chang Chun, representative of Gen. Chiang Kai-shek at Tangchiachuang, south of Tsinan. In the interview Gen. Matsui explained the facts of the Tsinan incident to the Chinese General but no terms for settlement of the incident were submitted. Gen. Matsui returned to Tsinan at 2 p. m.

Tientsin, June 7—A Japanese military airplane which left Tientsin for Peking landed at the French Parade ground in Peking. The plane returned to Tientsin immediately with important documents. The act of the Japanese airman is being greatly praised by the British, American and other foreign residents.

Tokyo, June 8—Premier Baron Tanaka gave a dinner last night for M. Troyanovsky, the Soviet Russian Ambassador and talked over the fishery treaty and other questions.

Tokyo, June 8—At the Cablinet meeting yesterday the Government discussed the situation in Manchuria as follows: (1) Since there are some among the Fengtien faction who suspect Japan of complicity in the bombing of Marshal Chang Tso-ling's train, it is considered necessary for Japan to make the real facts known as soon as possible thereby proving that Japan had nothing to do with the affair and that the Japanese acted fairly throughout. If the Chinese purposely start action against Japan, Japan will adopt a resolute attitude. (2) As the protection of Japan's residents and Japan's Special interests in Manchuria it is believed the present strength of the Japanese army is sufficient, but in the event the Chinese troops act against the Japanese it would be necessary to send the 3rd Japanese Division from Tsingtao to Manchuria. (3) Japan should make an endeavor to maintain her special rights and interests in Manchuria.

Tientsin, June 8—According to reports by an American military airplane and motor car, which went reconnoitering, some 5,000 Kuominchun cavalry has arrived at Hsiaochan, south of Taku; *Reuters* report states that American army plane was brought down by fire of Chinese troops.

Peking, June 8—There are many conflicting reports as to the struggle between the Shansi and Kuominchun forces for entry into Peking

Shanghai, June 8—Mukden dispatch states that Marshal Chang Tso-ling, besides from feeling pain in his arm is suffering from concussion of the brain; decided to entrust administrative affairs to Gen. Tsang Shi-yi, chief of staff, temporarily pending recovery of Marshal Chang.

Hongkong, June 8—Speech making and distribution of anti-Japanese handbills has ceased since May 31; little fear that anti-Japanese boycott will be enforced; Chinese press however still printing exaggerated accounts of Japan's activities in North China.

Mukden, June 8—Chang Tso-ling's condition still dangerous, but he is taking a little nourishment.

Tokyo, June 8—Baron Tanaka, in speech delivered before Tochigi section of Seiyukai (government Party) declares Chinese situation cannot be judged by present state of affairs. Said, "We do not care whichever faction may seize control in China but we must maintain our rights and interests in Manchuria which were cultivated by many years of hard toil by the Japanese."

Tientsin, June 8—In view of the 'imminence of the situation' the Japanese, British and French garrison troops have been taking extraordinary precautions against eventualities since this morning.

Shanghai, June 9—As to circumstances of Dr. C. T. Wang's appointment as Foreign Minister, it is reliably reported that it was not by unanimous action, the majority of the members of the government being opposed to his appointment, especially Chang Ching-kiang who argued hotly against the appointment. The assertion of Gen. Feng Yu-hsiang and the good offices of Gen. Chiang Kai-shek were largely responsible for his appointment.

Tientsin, June 9—It has become impossible for incoming and outgoing steamers to navigate the Peiho river owing to the Northern and Southern forces fighting across the river. Lieut.-General Arai, commander of the Japanese troops called upon the Northern General Chang Chung-chang and Chang Pi the Nationalist representative and demanded they cease firing on Japanese ships.

Tientsin, June 9—The *Saitsu Maru*, Japanese steamer forced to take refuge at Tanglu owing to firing across Peiho River.

Tientsin, June 9—British and French Concessions exposed to great danger owing to fighting of Northern and Southern troops in vicinity of Tientsin.

Tientsin, June 9—Since the navigation of steamers on the Peiho River is being menaced by the Southern cavalrymen, the Japanese military authorities yesterday negotiated with Chang Pi, the Nationalist representative on the matter. Mr. Chang said that if the Japanese would give him protection in passing through their area that he would call on Gen. Chang Chung-chang, the Northern Commander and urge him to abandon Tientsin Japanese Garrison Commander sent staff officer to lodge strong protest with Gen. Chang Chung-chang against firing on Japanese ships; Gen, Chang said he would stop and expressed regrets.

Peking, June 9—A Japanese officer interviewed Gen. Chu Shou-kuan, who is Chief-of-Staff of Gen. Yen Hsi-shan and Gen. Chang Yin-wu of 7th Shansi army which entered Peking and both assured the Japanese officer that the Shansi troops entered Peking in accordance with the instructions of the Nationalist Government and that no arguments had arisen between Feng Yu-hsiang and Yen Hsi-shan regarding who was to enter Peking first or who was to control the city. Stated that Gen. Yen will enter Peking just as soon as the Peking-Hankow Railway has been repaired.

Tokyo, June 9—As regards the Nationalist Government's intentions to remove the capital to Nanking, the opinion prevails that it would not be easy to accept Nanking's demand for the removal of the Legations to Nanking. Should Nationalists persist in demanding removal the Powers might claim their rights to establish garrisons at Nanking similar to those now maintained in Peking. It appears not possible to remove the Legations.

Tientsin, June 9—Notwithstanding his obvious ability to hold out, Gen. Chang Chung-chang is still boasting of his intentions to make a stand, but his subordinates and soldiers do not have any fighting spirit. Gen. Chang Chung-chang will be forced to make up his mind shortly.

Tientsin, June 9—When a Japanese army airplane flew over the American aerodrome here today, an American plane took off and gave chase causing rumors of a rupture of relations between Japan and America, but later on an American machine was forced to land at the Japanese station on account of engine trouble and the Japanese assisted in making the repairs and after exchanging friendly talks the trouble was adjusted.

Mukden, June, 9—Liu Shang-ching, civil governor of Fengtien province gave a tiffin today with Japanese Consul-General Hayashi as chief guest. Notwithstanding the threatening situation in and around Mukden, there were many Chinese military and civil officials present. They had a "very intimate social talk" for about two hours.

Mukden, June 9—Gen. Wu Tai-lai, who on June 7 returned to Holungkiang by way of Harbin, yesterday sent out a circular telegram from the office of the Military Governor of Holungkiang informing the people that he has taken up the duty of acting military governor on the order of Gen. Wu Chung-sheng, who is now recuperating. (Gen. Wu was previously reported killed in the bomb outrage by the *Toho* reports.)

Mukden, June 10—Marshal Chang Tso-ling has fallen into a very critical condition today.

Tientsin, June 10—Four Japanese merchantmen while passing through the Peiho River today, encountered volley-firing of the Northern troops stationed on the river banks, but a Japanese warship escorting the ships returned the fire and silenced the Chinese firing. Japanese Consul-General Kato lodged strong protest with Gen. Chang Chung-chang.

Tientsin, June 10—Lieut.-General Banzai of Tientsin today interviewed Gen. Chang Chung-chang in a private capacity and advised him to either resign his official posts or leave Tientsin at once in order to save the citizens of Tientsin from any further danger. The action of Gen. Banzai was approved by the Chinese citizens of Tientsin as well as the staff officers of Chihli-Shantung army.

Peking, June 10—In accordance with the negotiations of the Diplomatic Body and the Nationalist Government at Nanking, it was decided that the Fengtien brigade of 1,500 troops under Gen. Pao Yu-lin should remain in Peking to preserve order pending the arrival of the Shansi troops, but when the Fengtien brigade marched out Peking they were intercepted by Feng Yu-hsiang's troops under Gen. Feng Chi-an and Gen. Han Fu-chu who ordered the Fengtien troops to either adopt the Three People's Principles or surrender. They then marched back to the Peking city wall and were disarmed. Since this was a violation of the understanding with the Diplomatic Corps and the Nationalist Government, the Dutch, Japanese, British and American Ministers called on the Feng Yu-hsiang commanders and ordered the Fengtien arms returned. This was refused by the Kuominchun commanders so the Diplomatic Body has sent a strong telegram to Nanking in protest. Since the occupation of Peking the Kuominchun troops about the city are fast "showing the cloven hoof in disregarding the orders of the Diplomatic Body. In view of this situation it is generally observed that the utmost precautions are deemed necessary in future dealings with Kuominchun.

Peking, June 10—As soon as the Shansi army entered Peking, the city was put under the influence of the Nationalist Government so the temporary Peace Preservation Commission was dissolved.

Peking, June 10—It is reported from Tientsin that as a result of conferences Generals Chang Chung-chang and Chu Yu-puh have demanded the sum of $2,090,000 from the Commerce and Gen. Wang Chan-yuan and other influential persons, otherwise the Chihli-Shantung generals will continue the fight.

Mukden, June 10—Numerous bomb explosions both within and outside walled city of Mukden, one near the building of the Japanese Residents Corporation. Japanese residents terrified. Chinese police constables disappear. Owing to heavy rain no fires. Apparently no casualties. Bombs undoubtedly thrown by Southern un-uniformed soldiers. Japanese police mobilized and looking for the offenders. Japanese Consul-General Hayashi summons Japanese police chief Wada and other Japanese officials regarding measures for protection of Japanese residents outside of railway zone. Serious anxiety regarding Japanese within walled city as gates are closed. Japanese police mobilized.

Peking, June 11—In view of gravity of situation at Tientsin, Italian cruiser Rivia with Admiral Miragia on board and also Italian destroyer Mujjia, leave for "Taiku and Tangku with marines.

Tientsin, June 11—Gen. Chang Chung-chang, Chihli-Shantung commander calls on Japanese General Arai and expresses regret at firing on Japanese ships.

Tientsin, June 11—Now believed that Sun Chuan-fang's northern troops will go over to Southerners.

Tientsin, June 11—Pan Fu, former premier of Peking Government departs for Dairen.

Tientsin, June 11—Japanese reconnoitering airman reports no Southern troops in region of Yangtsun and Northerners evacuating.

Tientsin, June 11—As result of conference between Northern commanders Chang Chung-chang, Chu Yu-puh, Pan Fu and Chu Yuan-chang, believed that Chang Chung-chang will withdraw his troops to Lanchow soon.

Tientsin, June 11—Japanese Commander, Gen. Arai issues another warning to the Northern and Southern troops.

Mukden, June 11—Fengtien troops which have retreated here from Chihli province number about 26,000 and for fear of causing disturbances in city are billeted in nearby villages including Fushun.

Tientsin, June 11—Looting has taken place at Tangku but no Japanese property disturbed owing to Japanese troops.

Peking, June 11—Due to firing on Japanese ships reported all Powers will in future escort their ships along the river at Tientsin.

Peking, June 11—On advice of Tientsin Chinese Chamber of Commerce, Gen. Hsu Yuan-chuang has resigned from post of director of military affairs bureau of Chihli and assumed office as temporary garrison commander in Tientsin for Nationalist Army; issues proclamation (1) I will order all Northern troops to hoist Nationalist flag; (2) advise Chang Chung-chang and Chu Yu-puh to stop fighting; (3) Assume full responsibility for peace maintenance; (4) lawless soldiers to be severely dealt with.

Japan's Position in Manchuria Based on Force Only

BY CHIN-JEN CHEN

(In the China Critic for June 7, 1928)

THAT Japan has vast interests in China is undeniable. The Treaty of 1878, which established commercial relations between the two countries, was followed by the Treaty of Shimonoseki which provided that "Japanese subjects shall be free to engage in all kinds of manufacturing industries in all the open cities, towns, and ports of China and shall be at liberty to import into China all kinds of machinery, paying only the stipulated duties thereon." Throughout China, therefore, it may be said that the Japanese have interests at all places where they are permitted to engage in trade, manufacturing and other forms of business. It is in Manchuria, however, that Japanese interests are most predominant. With the rapid advance of the Nationalist armies in their drive on Peking, Japan has become more and more alarmed at the prospect of the present conflict spreading into the Three Eastern Provinces and has, consequently, begun to assume a more and more hostile attitude in warning the Nanking and Peking Governments against carrying their military operations beyond the Great Wall. At this juncture, then, it may not be inappropriate to consider the Manchurian question with respect to Japan's status in that vast Chinese territory. In the following paragraphs the writer will endeavor to do no more than make a brief review of those circumstances during the last quarter of a century under which Japan has acquired her present position in Manchuria.

When Japan Was Forced Out of Liaotung

In 1895 Japan was forced to retrocede the Liaotung Peninsula to China through the intervention of Russia, Germany and France. Thus, despite her success in the war which had just been terminated by the Treaty of Shimonoseki, Japan was left without a foothold on the mainland of Asia. Russia's intervention in China's behalf was by no means wholly disinterested. In 1896 she obtained from China formal and public consent to extend the Trans-Siberian railway across the northern end of Manchuria to Vladivostok. Two years later she induced China to lease to her the Liaotung Peninsula, and also secured the right to build a railway to connect the extension of the Trans-Siberian Railway, known as the Chinese Eastern Railway, with Dairen and Port Arthur in the south.

In less than ten years, however, Russia was destined to relinquish her newly acquired rights and privileges in Manchuria. For in the Russo-Japanese War of 1901-5, she was defeated; and by the Treaty of Portsmouth of September 5, 1905, Russia transferred to Japan, with the consent of China to be obtained, the lease of the Liaotung Peninsula and all appertaining privileges and concessions, and public works and properties. Russia also transferred to Japan, with China's consent to be obtained, the railway between Changchun (Kuang-cheng-tzu) and Port Arthur and all its branches together with all appertaining rights, privileges and properties, as well as coal mines in the region belonging to or worked for the benefit of the railway. At the same time Russia and Japan engaged "to exploit their respective railways in Manchuria exclusively for commercial and industrial purposes, and in no wise for strategical purposes. "This restriction, it was specified, should not apply to the railways in the territory affected by the lease of the Liaotung Peninsula.

New "Open Ports" in Manchuria

On December 22 of the same year, China and Japan concluded a treaty in which China gave her consent to all the transfers made by Russia to Japan in the Portsmouth Treaty. By an "additional agreement" of the same date China agreed to open sixteen places in Manchuria for international trade and residence. Japan also obtained "concessions" or "settlements" at Yinkow, Antung, and Mukden. By the same additional agreement China permitted Japan to maintain, work and improve the military railway line between Antung and Mukden constructed by Japan during the Russo-Japanese War. Regarding this line, however, it was provided that the concession should expire in the year 1923-4, at which time the railway was to be sold to China at a price to be determined by appraisement of all its properties by a foreign expert selected by both parties.

Attached to the treaty of December 22, 1905, were a number of secret protocols, a summary of which was made public the following February. These secret protocols comprised the following points: First, the railway between Changchun and Kirin should be constructed by China herself, and half of the capital needed for the construction should be borrowed from Japan. Secondly, the military railway constructed by Japan between Mukden and Hsinmintun should be sold to China, and the Chinese Government agreed to reconstruct it. Thirdly, the Chinese Government engaged, for the purpose of protecting the interest of the South Manchuria Railway (that is, the railway line between Changchun and Dairen which had been transferred by Russia to Japan), not to build, prior to the recovery by China of the said railway, any main line in the neighborhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the above-mentioned railway. This last provision, was obviously a limitation of China's freedom of action, which both Japan and Russia pledged to respect in the Portsmouth Treaty. The implication was that Japan intended to close the door in South Manchuria against railway enterprise in any hands other than Japanese.

The Anglo-Japanese Alliance

The Russo-Japanese War was caused by Russia's rapid advance in Manchuria and her attempts to increase her influence and control in Korea. Such aggression on Russia's part was watched by Great Britain and Japan with great anxiety and resulted in the formation of the Anglo-Japanese Alliance in 1902, two years before Russia and Japan came to open clash. This Alliance was renewed in 1905; and it was the Anglo-Japanese Alliance which gave Japan a free hand to fight Russia in 1904 and annex Korea in 1910. By the annexation of Korea, Chinese and Japanese territories were for the first time made contiguous. This contiguity greatly facilitated Japan's exploitation of Manchuria and her encroachment upon China's sovereignty. On July 13, 1911, the Anglo-Japanese Alliance was again renewed for ten years, with some modifications. Among the purposes mentioned in the preamble, the most significant, from the standpoint of our present discussion, is "the maintenance of the territorial right of the High Contracting Parties in the regions of Eastern Asia and of India and the defense of their special interests in those regions." Thus, by renewing the alliance England again pledged herself to support Japan in the latter's attempt to secure the absolute and exclusive administration of South Manchuria. This alliance was brought to an end when in 1921 England refused to continue it, much to Japan's chagrin.

Ever since Russia transferred her lease of the Liaotung Peninsula and the appertaining railways, rights and privileges to Japan, the Mikado's government has been most persistent and determined in its efforts to change South Manchuria into a veritable Japanese colony. By an agreement of April 15, 1907, Japan secured many special privileges by binding China to contract Japanese loans for building the Hsinmin-Mukden and Kirin-Changchun railways and to employ a Japanese as Engineer-in-Chief and a Japanese accountant. An agreement of September 4, 1909, gave Japan further mining rights at Yentai and Fushun and railway rights concerning the Hsinmin-Takumen and Tashichao-Yinkow lines. In November, of the same year, Secretary of State Knox of the United States communicated to the Powers a plan to "neutralize" the railways in Manchuria. This neutralization scheme came to naught owing to the strong opposition of Japan and Russia. On July 4, 1910, these two Powers concluded a treaty which provided for joint action to maintain the status quo in Manchuria. By an exchange of notes on October 5, 1913, Japan secured China's consent to obtain funds from Japanese capitalists to build five additional railways in Manchuria and Mongolia; namely, the Ssupingkai-Taonanfu, Jehol-Taonanfu, Kaiyuan-Hailungcheng, Changchun-Taonanfu, and the Hailung-Kirin lines. The arrangement of these loans, however, was not made public until October 2, 1918.

The Twenty-One Demands

In the year 1915, Japan made her famous "Twenty-One Demands on China. These demands, in the words of a noted American writer, were, with only a few unimportant exceptions, "not based upon, and in settlement of, previously pending controversies, but were simply drawn up and presented by Japan at a time when she thought that she would be able to enforce her will without regard to existing rights and obligations or to her treaty engagements with China and the other Powers." The demands were divided into five groups. Japan introduced Group II with the statement that "the Chinese Government has always acknowledged the special position enjoyed by Japan to South Manchuria and Eastern Inner Mongolia." This, of course was obviously an attempt on Japan's part to get China committed to a proposition which was absolutely contrary to fact. In the treaty finally concluded, it was changed to read that "the Japanese Government and the Chinese Government with a view to developing their economic relations in South Manchuria and Eastern Inner Mongolia, agree" ... etc.

It was on January 18 that Japan presented her demands to China. The subsequent negotiations lasted almost four months, in the course of which China showed her willingness

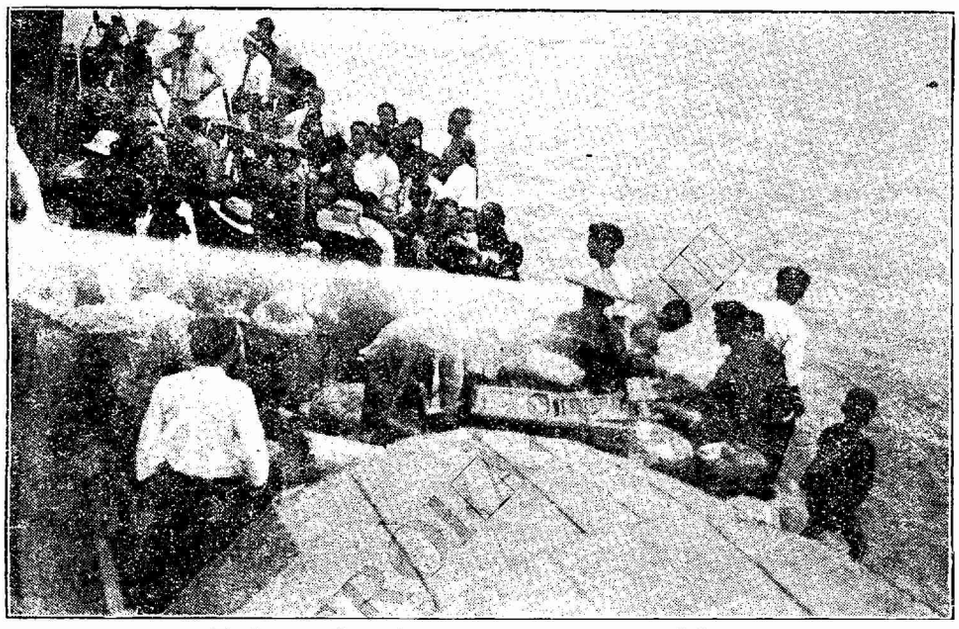
(Continued on page 99)

Two Noteworthy Migratory Movements

CHINA has for many years witnessed two noteworthy migratory movements; the one from Honan, Chihli and Shantung to Manchuria and the other from Fukien and Kuangtung to the Philippines, Straits and Siam. Each of these migratory movements has its own peculiar features, and one has so much material available that it would take more than a single magazine article to fully bring out all the facts. Indeed, various writers have devoted several interesting and informative articles of late in connection with the Manchurian immigration question, each one dealing with a different set of phases, but all agreeing upon one point, viz., that the migratory movement towards Manchuria has been an unprecedented one in modern Oriental annals. The other movement, that from Fukien and Kuangtung to the Philippines, Straits and Siam has not been so often written about, but unquestionably it has become more and more of a problem for the immigration authorities of the three last mentioned regions. In the Philippines and the Straits they are seeking to control immigration from China—that is to say, to reduce this immigration to a minimum—by legislation.

A Problem in Siam Also

In Siam, too, something is being done at the present time to curb the Chinese immigration to some extent. In other words, there is a movement all round to prevent the Chinese from coming in, in an unceasing stream.



Emigrants Boarding Ship for Singapore and Java

The movement from Honan, Chihli and Shantung to Manchuria has during the past four years been responsible for a large increase in the size of the population of Manchuria. In 1924, Manchuria boasted of a population of 18,000,000. At the beginning of 1928, it was estimated that this figure had increased to 22,300,000. In 1900, the number of inhabitants in Manchuria only reached 14,000,000. Things have come to such a pass that the Manchurian authorities are themselves considering ways and means to curb the immigration from the other provinces. And now that Chang Tso-lin's retirement to the Three Eastern Provinces, as Manchuria is known to the Chinese, is imminent, it is generally supposed that the moment he sets foot in Mukden once more, he would shut the gate at Shanhaikuan and at other points and also prevent steamers from dumping immigrants at Newchwang and Antung. He might even challenge the wroth of the Japanese by insisting upon Koreans being prevented from entering Manchuria, but that remains to be seen. Should he find himself in urgent and pressing need of Japan's assistance against the Nationalists, he might not seek to be too strict in respect of Korean immigration. And why are the Manchurian authorities now endeavoring to curb the immigration into their territory? The reasons which they are offering are precisely the same as those which the authorities in the Philippines and the Straits have offered.

Settling in Manchuria

Originally, the immigrants from Shantung (which has always contributed the largest quota) and Honan and Chihli would enter Manchuria at just about the harvesting season and the majority would return home upon the completion of the season with the savings they had been able to effect. Of those who essayed to remain, at least fifty percent of them remitted a portion of their earnings to the folks in the home provinces. It is only in very recent years that statistics have been compiled with accuracy in respect of Manchurian immigration so that it is difficult to correctly place the number of immigrants essaying to remain in the Three Eastern Provinces rather than returning home, but it seems safe to say that such immigrants from 1900 to 1920 only averaged 25 percent, the remaining 75 percent returning to Manchuria at the commencement of the next season. From 1920, those who essayed to remain behind commenced to increase by leaps and bounds whereas from 1923-1924 only a third of the immigrants returned to their home provinces, the remaining two-thirds, finding the conditions of living to be superior in the Three Eastern Provinces, essaying to make Manchuria their permanent home. During the past three years, the province of Shantung has witnessed such an exodus that it has been the subject of world-wide comment, whereas the inhabitants of the Honan-Shantung and Chihli-Shantung border districts have literally footed it across to Manchuria, being too poor to pay their rail fare!

Up till 1920, the immigrants to Manchuria were composed of coolies to a large extent, and their object in going to the three Eastern Provinces was to take advantage of the higher wages ruling there and the opportunities for work. After they had accumulated a sufficient sum, they settled down in their home villages, highly satisfied with the result of their patient toil. But after 1920, and more especially from 1923-1924 when war conditions brought ruin and devastation to their home districts, the immigrants were composed of refugee peasants who were anxious to shake the home dust from off their feet. The military looted and robbed; the civil officials squeezed right and left; the bandits kidnapped and killed and the men highest up refused to accord redress. Glad to escape with their lives, these refugee-peasants packed up what ever possessions the soldiers and bandits had overlooked and hiked off to Manchuria. Some had become so reduced in circumstances that they preferred to save their money by not availing themselves of the railway but to walk to the coast ports, *i. e.*, Tsingtao, Chefoo and Lungkow and there board ship for Dairen, Antung or Newchwang. Others, worse off still, had to walk along the Peking-Mukden Railroad to their destination!

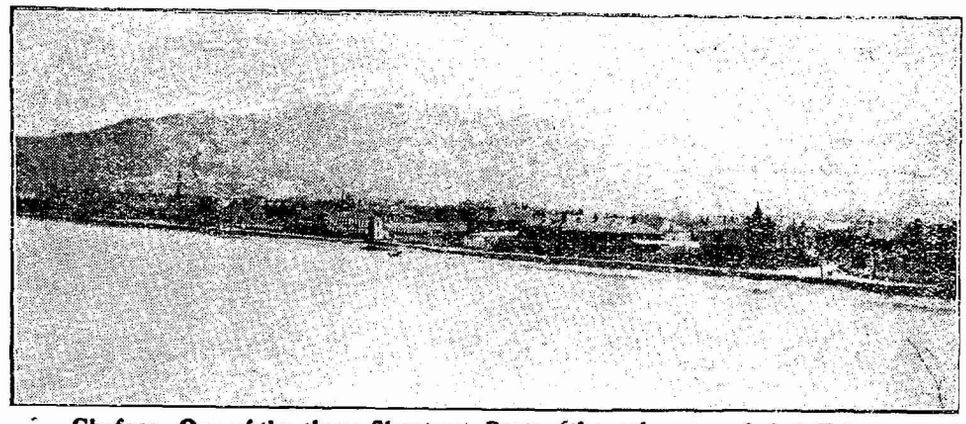
An Economic Problem

For a while, work was found for these refugees on the railroads under construction and on farms, but as the influx increased and the railroads became completed, work became scarcer and scarcer and a very large number of these immigrants were thrown out of regular employment. Certain Associations took them under their wings and, generally speaking, did what they could for them, but the situation failed to improve with more and more immigrants coming in. At the present time the whole thing has become an intricate economic issue and the Manchurian authorities are devising ways and means to put a stop to immigration until such time as the labor situation improves.

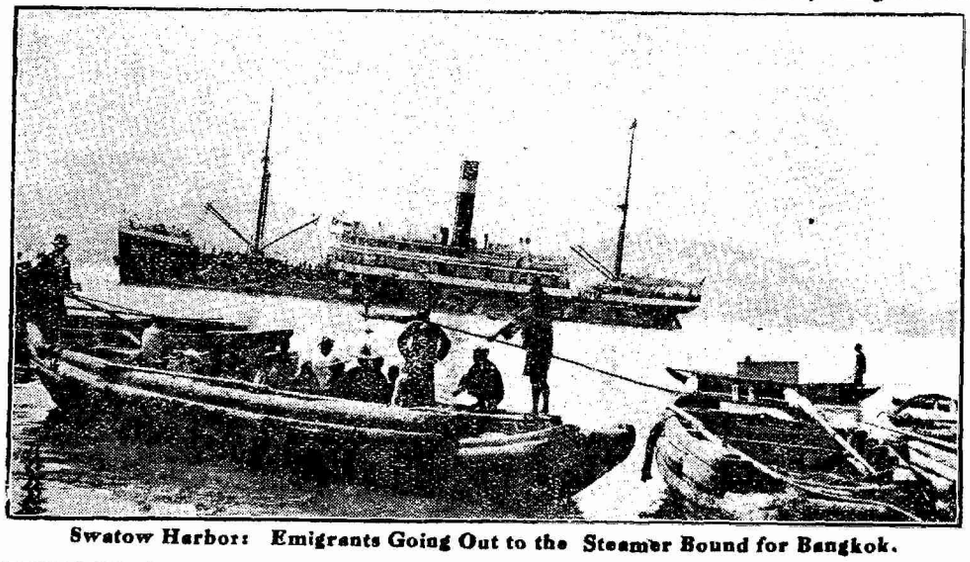
The migratory movement from Fukien and Kuangtung has in recent times caused no end of worry to the authorities in the Philippines and the Straits. Just as in the case of Manchuria, so with the Philippines, Straits and Siam. The immigrants would eventually return to their home provinces, making way for newcomers, after they had accumulated a sufficient sum with which to return to and settle down in their home provinces. To be sure, a certain proportion of these immigrants always remained behind permanently, thereby swelling the grand total, but it has been only in recent years that the immigrants whose determination is to forget they ever had a home province have increased by leaps and bounds. These people have also been driven out by abnormal conditions such as bandit and Communist depredations and exorbitant

taxation. Not having anywhere else to go, and responding to the Chinese instinct of "follow-my-leader," they all rushed away to the Philippines, Straits and Siam in the hope of "making good" there. Knowing nothing about the laws of supply and demand, they thought they would become as successful as others who had gone on ahead of them. Naturally when they discovered there was not enough work to absorb them, they figured out they had been badly let down. Some, in a misguided effort to make ends meet by hook or by crook, turned dangerous citizens and became a source of constant trouble to the police. Crime has increased in Singapore as a result of the increased number of unemployed and the authorities there are greatly worried about it. In the Philippines, the Chinese immigration question has always been a delicate problem but it seems to be all the more so at the present time. The Filipinos declare that the more the Chinese come in, the greater the economic problem becomes, and the best thing to do is to curb the immigration down now before it becomes too late. A prominent Filipino says: "The Chinese should appreciate the fact that in permitting aliens to enter China without restraint—(could he be referring to the Japanese?)—they have rendered possible alien interference in internal politics and economics; consequently, they should not feel so strongly about our anxiety to protect ourselves for the future. J. A. J.

Swatow, May 20.



Chefoo: One of the three Shantung Ports (the other two being Tsingtao and Lungkow) from Which there is a Heavy Emigration Movement to Manchuria.



Swatow Harbor: Emigrants Going Out to the Steamer Bound for Bangkok.

The New Educational Program

THE First National Educational Conference to be held in China since the coming into power of the Nationalist Government was held in Nanking, the present Nationalist capitol, from May 15 to May 29. The Conference was attended by official delegates representing the Provinces of Chekiang, Kiangsi, Anwhei, Hupeh, Fukien, Shansi, Szechuen, Honan, Kansu, Shensi, Kwangsi, Yunnan, Kweichow and in addition there were representatives present from the National Educational Council (Ministry of Education) and also representatives of the Ministry of Communications, Agriculture and Mining, Interior, Commerce and Industry and the Military Council.

The Conference was called by Dr. Tsai Yun-pei, the Minister of Education, and in addition to the official delegates, the Presidents of most of the large government Universities as well as the recently elected Chinese presidents of the leading missionary Universities were in attendance. Dr. Tsai Yun-pei, Minister of Education, who presided is a native of Chekiang Province where he was born in 1867. He received his early education in the Chinese classics and was a famous scholar under the Empire regime. He has always been interested in reform movements and in 1902 he became involved in revolutionary activities and was forced to leave the country. He went to Germany where he devoted several years to special study at Leipzig University. He was a member of the first revolutionary government established by Sun Yat-sen at Nanking in 1911 serving as Minister of Education. When the government was transferred to Peking by Yuan Shi-kai he continued as Minister of Education there. In 1916 he was appointed Chancellor of the Peking Government University and remained in Peking in various capacities until 1923 when he got into difficulties and was forced to leave the capital. He then went to France where he remained for a considerable time, finally returning to China and joining the revolutionary movement. He has been a close associate of General Chiang Kai-shek and assisted Chiang in the forming of the moderate Nanking Government in the spring of 1927.

Military Training in Higher Grades

The Ministry of Education (National University Council) at Nanking has not made public English translations of addresses delivered or complete reports of resolutions passed at the Educational Conference but sufficient has appeared in the press to give some idea of the general results. Perhaps the most significant action was a resolution unanimously adopted providing for military training in all of the Chinese schools above the grade of Middle School and for the inauguration of Boy Scout and Girl Scout activities in all primary and Middle Schools. This resolution also applies to missionary schools which recently have been nationalised from the standpoint of registration with the Government and the election of Chinese presidents. It probably was inevitable that the Chinese should take this action regarding military training but the fact that the Conference met in Nanking only a few days following the clash between Nationalists troops and the Japanese in Tsinan had much to do with speeding up the movement. A number of radical, warlike speeches were delivered emphasizing the necessity of military training, which were an undoubted direct result of the Tsinan incident. It was reported that the Conference was in receipt of telegrams from practically all Nationalist military leaders urging immediate military training. In Shanghai a delegation of students from local Universities applied to the local Defense Commissioner Gen. Chuen Ta-Chun and asked to be supplied with rifles for use in military training in the schools but when the Defense Commissioner is reported to have suggested to them that they enlist in his army their enthusiasm cooled somewhat and they decided to postpone their warlike activities for the present. It was recommended at the Educational Conference that the Government assign military officers to all schools for the purpose of taking charge of the military courses, the salaries of the officers to be paid by the schools. It was also recommended that the National Military Council send inspectors to the various schools to check up on the results of the military training.

Perhaps the next most interesting action was the adoption of a resolution for all future examinations to be given by the Government under the auspices of the National University Council or Ministry of Education. The resolution stated that

no schools, private or governmental, will in future be permitted to grant degrees; the schools will merely issue certificates showing the amount of work done but before the student can obtain a degree he will have to take the examination given by the National University Council. This action has naturally aroused a tremendous amount of discussion among the missionary schools for they all fear that it will require a complete change of curriculum to meet the Government examinations. In addition, there has also been considerable criticism on the ground that the Nationalist, are going back to the old literary examination system of the China Dynasty but on the other hand it is said that Dr. Tsai Yun-pei, obtained his idea from European educational systems. At any rate, the action has been taken. Another action of special interest to the missionary schools was the passing of a resolution stating that all foreign colleges and universities in China must be registered with the Government before 1930 and that after that time no foreigners will be permitted to establish schools in China.

Teaching the Common People's Language

Another revolutionary action of the Conference was a tentative resolution, which if carried out will have the effect of compelling the exclusive use of the so-called "Pei Hwa" language in all Primary schools in the country. No longer will the so-called "Wen Li" or literary language be required for entrance examinations to Junior Middle schools. Those who are familiar with the Chinese language know that there are two distinct languages, the "Wen Li" which is used in all of the official communications, public addresses, and so on. The old stilted literary style apparently is now to be abolished in favor of the "Pei Hwa" or common language of the people.

Although much of the action of the Conference must be put down as purely paper hopes which cannot be carried out for many years, they are of significance as indicating the present educational tendency of the country. One of the resolutions along this line favors the extension of free public education throughout the country asking all the Provinces to co-operate with municipalities in raising funds for this purpose.

Another resolution was passed to organize a committee which the Government will definitely associate itself with a campaign to reduce illiteracy among adults, the plan being to so extend the campaign that illiteracy among the general public will be reduced at the rate of 20% a year. A campaign along this line has been in progress in China under private and missionary auspicies for several years, the campaign being known as the "One Thousand Character Campaign". It was originated by a returned student who was connected with the Y. M. C. A. He got up a booklet containing the one thousand most used characters in the Chinese language and then, largely through the Y. M. C. A. campaigns were conducted in various towns and villages whereby shop clerks and assistants, farmers and peasants were gathered together in night schools and taught these characters. Stereopticon lanterns were also used in this same connection. The Government now proposes to take over this campaign and push it.

The Three Peoples Principles, otherwise the-political doctrines of Dr. Sun Yat Sen, naturally received major attention and from present indications it would seem that the entire educational system of the country is to be developed around the Three Peoples Principles otherwise the principles of nationalism, the principle of democracy and the principle of livelihood. Shortly after the close of the Conference. Dr. Tsai Yung-Pei, the Minister of Education, issued an order to all schools and colleges throughout the country for an immediate examination in the Three Peoples Principles to be given by all schools before the close of the present school year.

Another interesting action was the passage of a resolution providing for separate educational institutions for boys and girls in the higher and lower primary and middle schools. In cases where separate institutions are not available it is provided for separate departments. Education for women in China is a comparative new departure, but in recent years several of the missionary colleges and universities have adopted the co-educational plan which seems to be working effectively. The resolution passed by the National Educational Conference did not mention colleges or universities but only provided for segregated education for the sexes in the higher and lower primary schools and middle grades.

Smoking and Drinking Prohibited

Another resolution prohibited smoking and drinking among the middle and primary school students but said nothing about colleges and universities.

Considerable was said about the permanency of educational funds and a committee was appointed for the purpose of working out some system whereby the Government Schools could be assured of definite financial support. Since the establishment of the Republic the Chinese Government schools have been starved for funds as a result of most of the money going into the coffers of the militarists. Naturally the educational people are trying to obtain some definite form of support and are asking that certain taxes be ear-marked for educational purposes. Based upon experience in other lands, this probably will remain a paper resolution for a considerable period.

The Conference also passed resolution asking the Government for an appropriation of $1,000,000 for the establishment of a library in Nanking and for another $2,000,000 for endowment purposes. It also recommended that the complete works of Dr. Sun Yat Sen be collected and published for placing in this library.

A great deal was also said about the necessity of physical education generally in addition to military training, the idea being to revive the old Chinese system of native boxing and athletics, which have practicaly gone out except in some of the better organized armies.

Much was also said about scientific education and the providing of scholarships for Chinese students to study abroad. Heretofore the sending of Chinese students abroad has never been supervised by any governmental authorities except in the case of students going to the United States. When the American Government remitted the original portion of the Boxer Indemnity in 1906, the Chinese Government at that time agreed to use this money for the education of Chinese students in America and a school, Tsing Hua College was established in Peking for the purpose of providing preliminary education for entrance to American universities. Practically all graduates of Tunghwa College are sent to the United States at Government expense but in addition to this many of the provinces have also provided for the sending of students abroad. This in many cases has worked a hardship, because a military governor would send a batch of students abroad; then he would be kicked out by some rival and the students would be left abroad without any means of support. According to the resolution passed by the National Education Conference, the Government will now plan carefully to supervise the sending of students abroad and the probability is the number will be greatly reduced while those who are sent will be better qualified for study in foreign schools. The apparent intention is to develop a distinctive Chinese education so as to meet the pressing needs of the country leaving the matter of foreign education for the selected few who will be sent abroad for special study and research.

Finally the Conference decided to divide the entire country into university districts, each to have one government school of approved standard to be under the control of a special council in each district and all to be headed up in the Ministry of Education in the Government. The schools under the universities are to be all carefully supervised from the Kindergarten up and headed up in the central university in each district.

Communists Distribute Anti-American Circulars in Shanghai on May 30

Alleged communistic organizations distributed a number of circulars in Shanghai on May 30 which attacked the United States for dispatching troops to China and demanding their recall. One of the circulars, a small one printed on blue paper carried the signature, "Shanghai General Labor Union," demanded the cancellation of all Japanese 'special interests' in China and also protesting against American imperialism in despatching troops to China. Another circular which contained no signature mentioned America and other 'imperialistic' nations which adopted 'false policies of peace and friendship' toward China but which landed troops in China. This circular stated that only the laborers, farmers, soldiers, poor people and the Soviet Russians could help China gain her independence.

Still another circular which mentioned America contained the alleged signature of the "Kiangsu Provincial Executive Committee of the Communist Party in China." This circular contained a manifesto to the laborers, farmers, and all oppressed peoples, and also protested against American imperialists in dispatching troops to China with 'failing excuses.' Still another circular which was signed by the Communist Party of China said, "Down with British and American Imperialism and their troops which intervene in China. This circular also demanded punishment of Chinese merchants who 'secretly purchase Japanese goods' and urged a restoration of the 'mass movement' and the "liberties of meeting, writing, speaking and striking."

Still another circular which was thought to be anti-American turned out, upon translation, to be a patent medicine advertisement.

Russia Versus Japan in Manchuria

BY J. A. J.*

RUSSIAN interest in the Far East is not of recent inception. The opening up of political relations between Russia and China was due to the gradual absorption of Siberia by the rulers of the former country. The Novgorodian merchants explored the arid stretch of Northern Asia in the middle of the 16th century, and in 1580 the subjection of the Tobol Tartars by Yermack paved the way for the subsequent acquisition of the whole continent. Tobolsk was founded in 1587, Tomsk in 1604, Yakutsk in 1637, and Okhotsk in 1638. The first tidings of the discovery of a great waterway in the south-west of the new territory were brought by a traveller named Poyarkoff, who had made his way from Yakutsk to the sea in 1636, and the first survey was speedily followed by others, which led to the formation of a settlement at Albazin, despite the fact that this region was peopled by Chinese Tartars, who were under the rule of Peking. The Trans-Amur districts formed a portion of the Government of Heilungkiang, and the people strongly resented the presence of the Muscovite invaders. They accordingly rose, attacked the Russians, and drove them out of Albazin.-After a strife which extended over nearly forty years, the treaty of Nerchinsk was signed in 1689, under which the Russians became bound to evacuate all the positions they had taken up, and Albazin was razed to the ground. (See "China in Decay" by Alexis Krausse.) Ravenstein, in his work, "The Russians on the Amur," brings out the fact that the Chinese, triumphant over the discomfiture of the foreigners, denied permission for the navigation of the Amur River, and Russians caught on Chinese territory were seized. The Chinese kept up exceedingly stringent regulations respecting the observance of the frontier. In 1694, four Russians were captured while hunting sables. They were sent to Nerchinsk for trial and punishment, and, in order to satisfy the Chinese, who appeared to be about to recommence operations against their neighbors, they were all beheaded as a warning to others. Cases of this description were frequent, though the trespassers were, as a rule, dealt with by their captors, instead of being handed over to the Russian authorities. Thus far, the Russians would seem to have been content with a "go slow" policy but from 1728, or just two hundred years ago, Russia embarked upon a different program. In that year the Russians entered into a further treaty with the Chinese, dealing with the frontier question, and, satisfied with the assurances given by the Russians, the Chinese became less strict in their surveillance over the boundary.

Navigating the Amur

In the beginning of the nineteenth century, some Russian officers drew attention to the desirability of obtaining a concession for the right of navigating the Amur. A request was accordingly made to the Chinese in 1805, but it was promptly refused, and for several years the matter was allowed to rest. In 1847, General Muravieff, who was at that time Governor-General of Eastern Siberia, decided that it was advisable to survey the river, in order to discover the possibility of using it as a means of communication with Kamchatka; and without getting into touch with the Chinese on the matter, he caused an officer with a squadron of Cossacks to be despatched on an exploration journey along the river. This officer interpreted instructions in his own way, and, during the three years which he spent on the river, he founded several settlements. From this time onwards, the Russians went to it in grand style. In 1851, encouraged by the success of the measures taken thus far, the captain of a Russian warship sailed up the Amur estuary and founded the towns of Nikolaevsk and Mariinsk. In 1853, Alexandrofsk and Konstantinovsk were established on the seaboard, both well within the limits of Chinese territory as defined by the treaty of Nerchinsk.

The Russian record on the Amur serves as an admirable example of the methods always pursued in Russian expansion in the Far East. In 1854 the Chinese complained against the action of the Russians in navigating the Amur contrary to treaty. Thereafter, a controversy arose between Muravieff and the mandarin of the district, the former arguing that it was necessary to despatch stores to the Russian traders who had effected a friendly settlement among the Chinese, and that there was no other way of sending them victuals. The mandarin continued to vigorously oppose the violation of China's Sovereign Rights, and more than once insisted that the Russian vessels should be withdrawn to Nerchinsk.

At this time the Crimean War was in progress, with the Black Sea blockaded. The Russians had no way to communicate with the Sea of Okhotsk, except by resorting to the Amur route, and Muravieff accordingly fitted out an expedition, comprising of a large flotilla of barges conveying a thousand Cossacks and many guns. In face of this formidable display, the Chinese had perforce to keep quiet or otherwise come to terms with the Russians. With this taste of success, the Russians became bolder for in the following year three more expeditions were despatched from Nerchinsk, comprising 3,000 Cossacks, a large number of colonists and stores and provisions. Russian posts were established along the whole of the north bank of the river. At this time, the central government at Peking was confronted with the greater problem of tackling the Taiping rebels, and could do nothing to assist the mandarin on the spot. The latter perforce had to be content with merely protesting. The Russians, fully realizing that the psychological moment had arrived, sent a formal demand for the "rectification" of the frontier. Powerless and paralysed by fear, the mandarin had no choice but to fall in line. Consequently, in 1858, the treaty of Aigun was signed, ceding to Russia the whole of the Chinese province north of the Amur. A decree was then issued at St. Petersburg, announcing the acquisition of the new territories, under the title of the Amur provinces, with an extent of nearly a million square miles. Muravieff's services were recognized by granting him the affix "Amurski" to his name. ("China in Decay.")

Russias Huge Acquisitions

China's relations with the Powers have always brought out one fact, *i. e.* every time she finds herself in sharp conflict with some adversary, someone else would come forward and take advantage of the situation. In 1860, when Peking was in a state of panic, with the French and English at its gates, and a large portion of the Chinese Empire in the hands of rebels, the Russians, through General Ignatieff, had little difficulty in obtaining,—without any return whatever,—the cession of all the territory between the Ussuri River and the sea, ranging north and south from the Amur to the Korean frontier. Having thus acquired an addition to her Empire nearly half as big as her European dominions, Russia, as one critic has so aptly remarked, rested that she might digest what she had gorged, and for several years the relations between China and her nearest neighbour were friendly.

Acting upon the maxim that "possession is nine points of the law," the Russians, while the events chronicled above were in progress, pushed themselves forward in another direction. In the frontier disputes which characterized the relations between the Russians and Chinese, the latter had taken a number of Russians and these had been conveyed to Peking. We have all along been regaled with stories of Chinese barbarism, but the Chinese did nothing to be ashamed of with these captured Russians. On the contrary, the Chinese allotted a special district in Peking for the purpose of having them settle down there. Even a most caustic British critic has had to admit "the prisoners appear, on the whole, to have been well treated, and to have been accorded a considerable amount of liberty."

After the signing of the treaty of Nerchinsk in 1689, the Russians determined to make a fresh attempt to open up satisfactory diplomatic relations with the Chinese, and one Everhard Ysbrand Ides went on an embassy to Peking in 1692. Ides succeeded in securing certain privileges for his country, including the permission to send a priest to Peking to minister to the Russians who had settled down in the Chinese capital. The priest arrived in due course, in 1698, whereas in 1727 he was reinforced by several others, deputed to educate the children of the erstwhile cossacks, and to study the Chinese language. A church and mission were formed and consecrated in 1732, and the Russian Colony prospered exceedingly, being allowed to enjoy free intercourse with the natives. The Russians were thus not only able to study both the language and the people of China but succeeded in living down the marked prejudice which was formerly entertained by the natives towards all foreigners, and there can be no question but that the diplomatic successes which followed were largely due to the good influence exerted by these settlers.*

The Desert Route Via Kiakhta

The caravan track across the Gobi Desert via Kiakhta, Urga and Kalgan, had been traversed by traders for centuries, and while its use by Russian merchants had not been officially recognized, nevertheless it had not been prohibited. The first authorization of the Kiakhta route occurred in the treaty of Tientsin. By this, the equality of both governments was recognized, the right to maintain a Chinese embassy at St. Petersburg conceded, a number of treaty ports were opened, and the privilege was granted of sending a Russian consul to reside at each. Furthermore, it gave authority for the renewal of the clerical mission at Peking whenever necessary and its members were expressly authorized to proceed between Russia and Peking "either by land or sea." In addition to these

*This is the second article on Manchuria by this author, the first having appeared in the issue of The Review of June 9.

* Alexis Krausse: "China in Decay."

enactments, a postal service was decreed between Peking and Kiakhta every fortnight,—the journey to be performed in fifteen days. A second treaty executed at Peking in 1860, augmented the concessions to Russian interests in China. The main provisions of this treaty are: the cession to Russia of Lakes Balkash and Issik Kul in Turkestan; the appointment of a commission for the rectification of the frontier on the Ussuri River; the establishment of free trade on all common frontiers; the concession of the right to trade between Kiakhta and Peking, and to appoint a Russian consul at Urga, and of liberty for all Russian merchants, provided with passports, to travel throughout China, provided they do not congregate in numbers greater than 200. Finally, commercial dealings were granted total immunity from restrictions of every kind.

In the year 1863 there broke out a rebellion among the Mahommedans of Jungaria, who avowed their intention of freeing themselves from the Chinese rule. This struggle lasted over a series of years, sometimes the rebels winning and sometimes the Tartar generals, charged with the suppression of the rebellion. The Russians watched this struggle with unbounded interest, looking for a further opportunity to grab Chinese territory. In 1870 the Chinese were completely worsted by the Turantchis, who, having disposed of their enemy, set to work fighting amongst themselves. As is usual in such rebellions, where the revolters are more or less an ignorant and primitive crowd, this state of anarchy lasted for some eight years. Here was the desired opportunity. A Russian force marched into Kuldja and occupied the valley of the Ili. The Russians explained to Peking that the step had become necessary so as to restore order before the tribes in Russian territory became contaminated. The Russians affirmed that the occupation was a "temporary" one but the Chinese, knowing that unless they took prompt action, this "temporariness" would become permanent, dispatched relays of military to support General Tso Tung-tang who finally quelled the Mahommedans. Peace now being restored, the Chinese sought to recover Ili, which was still occupied by the Russians. In order to achieve this, the mandarin Chung How, then in Europe, was despatched to St. Petersburg to negotiate with regard to the control of Kuldja and the surrounding territory. Finally, a treaty was signed at Livadia under which Russia surrendered the Kuldja Valley but retained the neighboring Teke territory, thus continuing to command the approaches to Kashgar. China also paid an indemnity of 5,000,000 roubles to Russia, being the "expense of the occupation." Eventually the Russians were persuaded to negotiate a new treaty, at St. Petersburg, under which Russia consented to give back practically all the territory in dispute—On the other hand, the indemnity was considerably increased. Thus is China robbed and squeezed at every turn!

From 1881 until 1895, Russia confined her operations in Chinese territory to the obtaining of information by means of surveys, and to cultivating the mandarin as opportunity arose.

The Sino-Japanese War

Then came the Sino-Japanese war and the cession by China of the Liao-tung peninsula with certain neighboring territory, in perpetuity, but this was opposed by Russia, supported by France and Germany, and the Japanese had to be content with Formosa.

The Russo-Japanese war is comparatively recent history and, space being limited, we might just as well pass over it with the remark that Japan promptly continued where the Russians left off. The *Review* has already fully dealt with the Shantung question, so one has scarcely anything to add in reference to the German as well as the subsequent Japanese occupation of the Kiaochow territory. The Washington Conference, as we all know, prevented the Japanese from continuing in Shantung where the Germans left off. Ever since the retrocession of the occupied area to China, Japan has intensified her efforts in Manchuria and knowing that once the Nationalists are in Peking they would enter into various questions with the Powers, the Tanaka government considered it a cute move to occupy Shantung and hold it as something substantial in hand with which to bargain with the Nationalists.

Should it happen that the Nationalists unable to secure the sympathy of the Powers, agree to let Manchuria be considered as separate from China proper, in exchange for Japan's return of Shantung, the Japanese, most assuredly would set up Chang Tso-lin, as a figure-head, and themselves take over the matter of development of Manchuria, including, of course, the control of all railroads.

Will Soviet Russia, or for that matter any kind of Russia, look on, with arms folded? We are constrained to feel otherwise—Soviet Russia is today in control of part of Mongolia and she aims to control North Manchuria. She positively cannot afford to let this territory pass into another's possession.

Some one or other has prophesied that the world is due for a great scrap on March 28th, this year. He may have been a bit too hasty, but we are certainly in for a most interesting time. So long as Japan and Russia labor under the maxim that "possession is nine points of the law," so long there will be no prospects of peaceful times in the Far East.

As already stated, Japan does not want Shantung. She is quite aware of the fact that the holding of additional territory in China would merely antagonize the Chinese people and would result in boycotts and other forms of anti-Japanese demonstrations. Moreover, the other Powers might take very serious views of it and Tokyo knows it cannot afford to fish for trouble with the United States and Great Britain. However much the die-hards of the treaty ports might wish the Japanese to "put the Chinks in their proper place," their home governments would not care to see any further territory in China pass into the hands of the Japanese. Japan has sunk herself very deeply in Manchuria, to be able to withdraw without causing serious trouble at home, and, in order to strengthen her position in Manchuria further, she would have to invest many more millions there. Her own finances at present, and probably for a very long time to come, will allow of no new speculative ventures abroad. Shantung would take a lot of developing to be put on a profitable basis. The province has been milked dry by Chang Chung-chang, and his camp followers. It has for years been the victim of floods and famine and its inhabitants, except for the merchants and land-owners, are poverty stricken. The lot of the people has to be first improved, and this alone would involve a huge fortune in Shantung. Then there must be reforestation work and construction of suitable highways, both of which Shantung stands in sore need. And in case of a permanent occupation, the Japanese would have to maintain a strong force in the province, and military expenditure abroad always entails a huge sum. Japan would have to put in an initial outlay all round of 500,000,000 yen at least. Is she in a position to raise this sum in addition to carrying on in Manchuria? The end of the great war left Japan in a very poor economic state. So long as the war was in progress, she made hundreds of millions in exports and shipping. Common clerks became millionaires overnight. But her merchants and capitalists had not sufficient foresight to quit speculating while the quitting was good. the result was that when the armistice came the country found itself in a very awkward financial situation. Brave efforts were made to improve the position through the enforcement of embargoes and artificial measures, but misfortunes seldom come singly, and on September 1, 1923, the country was the sufferer of the greatest earthquake disaster in centuries. No one essayed the exact amount of Japan's losses from this disaster but conservative Japanese estimates put them at Yen 7,000,000,000. It is plain, therefore, Baron Tanaka is holding Shantung until such time as the Manchurian Question is settled.

To the Nationalists, however, Shantung is all important strategically and economically. As already said, it has four ports (if we are to exclude Weihaiwei,) two of which are very valuable, viz., Tsingtao and Chefoo. There is not a single other port on the China coast that could beat these two in point of anchorage facilities, if properly developed. As for highway and railway construction, the Nationalists, in so far as the question of labor is concerned, could put their soldiers to very good use. In reforestation work, the Nationalists ought not to be short of experts. In the Tsingtao district we have seen how a Chinese graduate of the Massachusettes Institute of Technology has ably carried on where the Germans and the Japanese left off. Shantung is the natural transit point of goods to and from Chihli and Honan, and Tsingtao and Chefoo are the natural ports of ingress and egress. Will the Nationalists, appreciating fully these facts, trade away Manchuria for Shantung? Or will they hold out and dare Tanaka to do the worst? Will they, through the mediation of Feng Yu-hsiang, effect a reconciliation with Soviet Russia and enter into a mutual agreement with the government of the U. S. S. R. thereby putting Japan in a delicate position, or will they achieve such a diplomatic success as to come to advantageous, terms with them both? All things being equal, and if the Nationalists do not resort to fighting amongst themselves, they ought to be able to pull through in course of time, but Japan, so long as she does not fully get rid of the military influence and Soviet Russia are very dangerous and slippery customers.

"Possession is Nine Points of the Law"

Russia's foreign policy remains the same as ever,—menacing, lacking in sincerity and an expression of opportunism. The Russian Bolsheviks preach the doctrine of "Down with Imperialism" but in Mongolia the imperialists are not the Anglo-Saxons. The Muscovite has been a thief along the Chinese frontier for more than four centuries. He has the peculiar habit of removing his neighbor's boundary stones. In northeastern Manchuria, the Bolsheviks have in recent times invaded Chinese suzerainty by from three to ten miles. According to the Sino-Russian Boundary Convention of 1912, the boundary line of the two nations was agreed upon to be the

middle of the Ussuri River and Lake Hsingkai; however, two-thirds of this lake belong to Russia and one-third to China. The area of this lake is about 300 square miles. As the Chinese northeastern frontier is still thinly populated and the officials of administration are stationed rather far away from the boundary the Russians have crossed to the Chinese side all along the boundary line. As to Lake Hsingkai itself, the Soviet authorities have practically occupied its whole area, and are now policing the same with motor boats. This lake is a rich fish-producing area and formerly there were many Chinese fishermen exploiting the lake; but now, Soviet fishermen are doing most of the fishing. Having now once again invaded Chinese territory, the Russians have set up military headquarters at a few points. Then, too, the Soviets have circulated domestic bonds and Russo-Mongolian bank notes in Northern Manchuria. They also maintain trade unions in Chinese territory and, furthermore, they have been issuing "certificates of residence" to Soviet citizens in Harbin and elsewhere, as though North Manchuria were a part or a protectorate of Soviet Russia. Thus, we find Soviet Russia to be as much of an opportunist as Czarist Russia. In the North, therefore, the Nationalists have the Soviet Russians to contend with, and in South Manchuria, the Japanese.

The more one watches Japanese and Russian activities in Manchuria, the more one would like to hazard a guess as to just when the two are going for each other's throat, once again at the expense of China. The Nationalists, if they would save China from further troubles with the two nearest neighbors, should recover complete suzerainty over Manchuria. No agreement, having for its foundation foreign control over Chinese territory, would ever result to the benefit of China. The Nationalists should also appreciate the maxim that "possession is nine points of the law."

Trade Inquiries

The following trade inquiries have been received at the office of the U.S. Trade Commissioner, 3 Canton Road, Shanghai.

Canvas and Rubber Footwear:—A firm of Boston exporters is seeking a suitable jobber or distributor for its line of canvas and rubber footwear.

Rubber Household Products:—Manufacturers of rubber household products, such as window washers, mats, hot water bottles, etc., wish to secure an agent in China.

Washing Machines:—A firm manufacturing washing machines is anxious to secure the services of a representative for the sale of these machines.

Phonographs:—An exporter of a certain line on phonographs wishes to secure an exclusive distributor in China.

Savings Banks:—A Chicago firm manufacturing a line of "home" savings banks wishes to enter the China market.

China Products:—A New York firm is interested in securing connections in China for the purchase of wool, tusks, hides, bristles, feathers, rattan, ores, drugs, etc.

Electric Hand Saws:—Manufacturers of electric saws are interested in marketing their product in China.

Lighting Plants:—A Chicago firm is anxious to introduce its self-contained farm-lighting plants into the China market.

Electric Scrubbing Machines:—Exporters of electric scrubbing machines are seeking a representative in China.

Plumbing and Construction Materials:—Exporters of plumbing and construction materials, who have been doing business for some years in Shanghai, are now seeking a reliable commission representative to solicit the trade here.

Washing Machines:—Manufacturers of washing machines are seeking a wholesale distributor.

Paints and Varnishes:—A firm of Massachusetts manufacturers of paints and varnishes is desirous of making connections in Shanghai for the sale of its products.

Importers and Exporters:—A New York firm of importers and exporters is interested in obtaining a connection with a shipper of skins, hides, furs, animal by-products and casings.

Covers for Tires, Motor Car Seats and Tops, etc:—Manufacturers of a line of tire covers, seat covers, top covers and other motor car items, are anxious to enter the China market.

Chinese Products:—A Los Angeles firm is anxious to make connections with a reliable Shanghai exporter and mporter, handling Chinese products.

Electric Refrigerators:—A firm manufacturing electric refrigerators wishes to enter the China market.

Buying and Shipping Service—A New York firm offers its services to anyone needing someone to act as buyers and shippers in the United States.

Plumbing Fixtures:—Manufacturers of plumbing fixtures wish to enter the China market.

General Produce:—A New York firm is interested in making connections with a reliable firm of importers and exporters, preferably one who will work on a commission basis. Lines of particular interest are egg products, sesame seeds, rhubarb, minerals, novelties, wool and cotton waste.

American Comments on China Situation

The following are extracts from editorials (in each case the heading used being the original one) appearing in American newspapers on the dates named.

Umpire on Shantung?

(*New York Daily News, May 15*)

The Versailles treaty being some eight years of age, Japan considers it high time to take back the Chinese province of Shantung. Japan inherited Shantung from Germany in 1920, then officially withdrew, and now seems bent on staking out the rich claim again with all due formality and gunfire. Should the United States listen cordially to the request of Gen. Tan Yen-kai, Chinese nationalist chairman, for an expression of American views on the fighting in Shantung? Should we send that mediation commission for which Tan Yen-kai apparently plans to ask next? It is gratifying to have a Chinese statesman-soldier appeal to us, and many emotional Americans will be all for playing bird of peace in the far east. But with whom could we deal? Whom would our arbitration rulings bind? War-lord fights war-lord in China in a grand scrimmage for power. Kuomintang fights super-tuchun. Nanking declares a day of rest from battle, and instantly Canton or Peking whets the knife and straps on the automatic. Our best bet is to protect our nationals in China until there is a Chinese government which can discuss Shantung and other Chinese problems with authority. The Chinese people are our best friends in the Orient. We need their business and they need ours. Grow too friendly with any one of the ambitious generals who now divide the Chinese, and we may wake up to find our general in jail with a strong Chinese government making medicine against us because we meddled.

The Realist in China

(*New York Tribune, May 13*)

There is ample room for dispute as to specific facts in China—what happens at any given moment in any given place in that vast, inchoate land is almost certain to become enveloped in a cloud of conflicting testimony. Who fired the first shots at Tsinanfu, for example? The first reports blamed the Japanese. Then the Nationalists in effect admitted at least a share of the responsibility by dismissing their general in charge. Now the partisans of the Nationalist movement here and in China are seeking to widen the issue by talking of Japanese arrogance in general. What is needed in such an atmosphere of dispute is a realistic attitude toward the fundamentals of the situation. Even if episodes become involved in partisan wrangling, the general trend of events over a period of years is usually unmistakable. One must keep one's mind open to recognize changing conditions, but only the Utopians will look for miraculous transformations along the lines of Western nomenclature. As Mr. Nicholas Roosevelt observes in his recent volume on the problems of the East, "The Restless Pacific". "It is obvious that to attach to events in such a China, the labels of 'nationalism,' 'imperialism,' 'self-determination and all the terms which we associate with contemporary politic's is to give a false impression of true conditions there. This is equally true of the word 'revolution,' which has been freely used with the purpose of carrying the implications to Americans that China is passing through an upheaval which parallels the American Revolution."

The question is not one of sympathies, but of facts. Americans have always felt a peculiar admiration for the Chinese people and wished them well. Our foreign policy as a nation has for two generations effectively expressed this sympathy. But it is folly and a disservice to China to pretend that her people are being transformed swiftly into a nation of the type familiar to the Western world. Partisans of the Nationalist movement have repeatedly blundered in this fashion, and they seem now to be intent on repeating their blunder. Overestimating the aims, accomplishments and prospects of the Nationalist movement can only lead to disappointment and grave misconceptions in this country.

Moving on Peking

(*New York Times, May 15*)

Under the terms of treaties signed after the Boxer outbreaks the foreign Powers were granted the right to keep open communications between Peking and the sea. This they have insisted upon, even though on several occasions during the last three years the movement of troops has temporarily closed the railroad between Tientsin and Peking. To uphold this right, and to serve as protection in case of another uprising against the foreigners like that which occurred in Peking in 1900, the foreign Powers have for years maintained troops in Tientsin. The United States has had two battalions of the Fifteenth Infantry there since 1912. These troops have on occasions been used to police the "International trains" that

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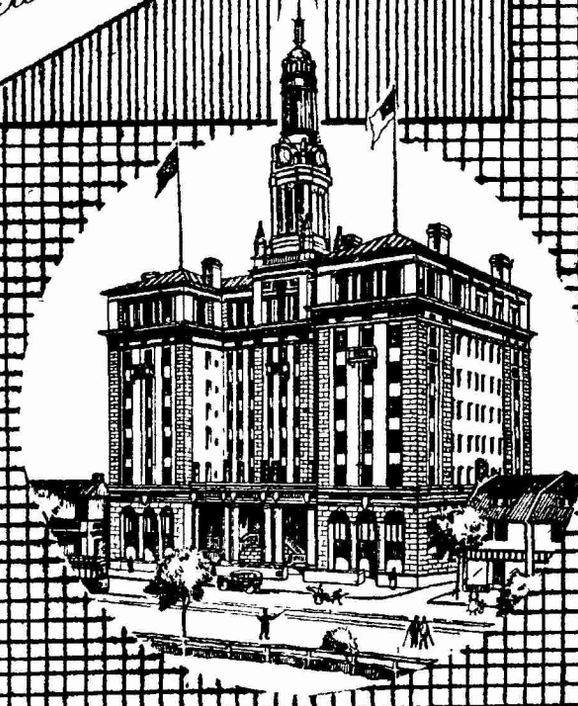

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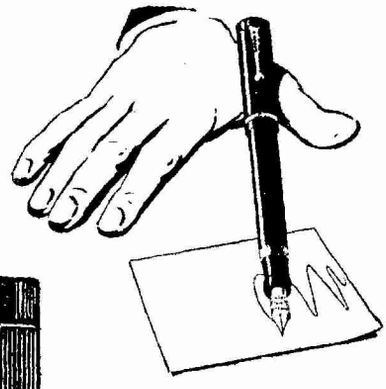

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have been run in crises between Tientsin and Peking. Whenever Tientsin has changed hands the various foreign groups have seen to it that the foreign settlement, apart from the Chinese city, was not molested. Heretofore the Chinese leaders have never interfered with this supplementary police duty.

China Is Learning Dear Lessons in Experience's School

(*New York American, May 15*)

Events in Shantung are teaching useful lessons to awakening China in the dear but effective schools of experience. They are teaching cohesion, for one thing, and, for another, the imperative need of discipline. Those who set armies in motion in the name of patriotism without power to hold their excited soldiery in check when proper orders are given cannot escape responsibility for resulting outrages by pleading good intentions. Reports of what happened at Tsinan vary in many details, but agree that the Nationalist soldiery there, as at Nanking, got out of hand. Their orders were correct but were not obeyed. Any nation worth its salt will, to the extent of its ability, protect its nationals in a foreign land from mob onslaughts. Japan at Tsinan was able to do so effectively.

There is nothing in that action which calls for American interference.

The Clash at Tsinanfu

(*The Nation, New York, May 16*)

Tsinanfu is 245 miles by rail from the port at Tsingtao, and the foreigners there have no treaty right to govern their own settlement. Why Japan should have insisted upon sending 3,000 soldiers so far inland is a problem. Whether anything would have happened to the Japanese residents there if no troops had been sent to "defend" them is another of those hypothetical questions which may be debated to eternity. It is at least significant that the British and Americans sent no troops, and that the British and Americans who remain are still alive and unharmed. The Japanese, apparently, undertook to throw a defense force about the foreign quarter; the succeeding facts are in violent dispute. The Chinese say the Japanese fired first; the Japanese accuse the Chinese; both sides report atrocities by the other side, hell broke loose; at least twenty, and perhaps more than a hundred, Japanese were killed; and probably several times that number of Chinese. General Chiang Kai-shek, hitherto regarded as rather pro-Japanese, reported to his government that "the Japanese challenged us with no reason whatsoever. Their malice is beyond description. I cannot bow to such bullying." Japanese reports suggest a deliberate murder plot. In the background are the facts that the Chinese owe the Japanese two years' back interest on the Shantung Railway, parts of which have been torn up to delay the arrival of the Japanese relief columns; that the Japanese have twice before intervened in the Chinese civil war to stem the advance of the Southern armies; and that the Tsinanfu trouble broke out almost on the eve of National Humiliation Day, when China, annually recalls the outrageous "Twenty-one Demands" made by Japan in 1915.

Major Blame Lies with Japanese Military

(*The New Republic, May 16*)

The action of Japan in landing troops in Shantung province has had the expected result. What may fairly be described as a battle has taken place at Tsinan-fu, between the Japanese and the Southern forces. Numerous casualties have taken place on both sides, and feeling between the two countries is running higher that at any time in thirty years. Chang Tso-lin a few days ago was seeking to bring about joint action by his own troops and the Japanese, to halt the invading forces of Chiang Kai-hek; but since the fighting, and in view of the inflamed state of feeling among the Chinese, he has been forced to drop all such efforts, and may even join the Southerners in their hostility. The Nanking government proposes to protest the Japanese action to the League of Nations. No one at this distance can say which side was responsible for beginning the fighting; it is not impossible that neither was. But the major blame must certainly lie with the Japanese military authorities, when they decided to send several thousand Japanese soldiers into the zone of the Chinese civil war. Common sense should have told them that such an incident as has taken place was likely. It might have been difficult to remove the Japanese settlers in Shantung province to the seacoast where they could be protected by the guns of foreign warships; but it would not have been impossible. The Japanese did not even try it; with the habit of thought characteristic of military men the world over, they tried to bully the Chinese by a show of force. They will be lucky if they do not find they have brought down on themselves a war.

Japan's Position in Manchuria Based on Force Only

(*Continued from page 90*)

to grant some of the Japanese demands, while Japan also revised some of her demands to a slight extent. The Chinese concessions, however, did not go far enough to meet Japan's expectations, and suddenly, on May 7, the Japanese Minister in Peking delivered to President Yuan Shih-kai an ultimatum which gave China a 48-hour time-limit to accept the demands. Attached to the ultimatum was an explanatory note in which it was indicated that those demands in Group V regarding (a) the employment of Japanese advisors, (b) the establishment of Japanese schools and hospitals, (c) the railway concessions in South China, (d) the supply of arms and ammunition and the establishment of arsenals, and (e) the propagation of Buddhism, were to be postponed for later negotiations. All writers have agreed that the granting of these demands in Group V would have made China virtually a Japanese dependency and protectorate.

The other demands, however, China was not in a position to reject, and the morning of May 9 the Chinese Government notified the Japanese Minister of its agreement to the terms laid down in the ultimatum. The drafting of the necessary treaties, agreements, exchanges of notes, and declarations took about two weeks. Finally, on May 25, the signatures of the Chinese and Japanese representatives were affixed, and on June 8 the ratifications were exchanged. Here we can give only a brief summary of those arrangements concerning Manchuria which are of especial importance. The lease of Port Arthur and Dairen and the terms of the South Manchuria Railway and the Antung-Mukden Railway were extended to 99 years. Japanese subjects in South Manchuria might, by negotiation, lease land necessary for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises. Japanese subjects were to be free to reside and travel in South Manchuria and to engage in business and manufacture of any kind whatsoever. Japanese subjects were also given permission to investigate, select and work coal, iron and gold mines in nine specified mining areas in South Manchuria. If foreign capital should be needed for building railways in South Manchuria and Eastern Inner Mongolia or if the Chinese Government should make a loan in future on the security of the taxes in the above-mentioned places (except the salt and customs revenues) Japanese capitalists were in either case to be approached first. If foreign advisors or instructors on political, financial, military or police matters should be needed in South Manchuria, Japanese were to be employed first. Chinese authorities were to notify the Japanese consul of the police laws and ordinances and the taxation to which Japanese subjects were to submit in South Manchuria and Eastern Inner Mongolia, so as to come to an understanding with him before their enforcement.

With regard to these treaties and agreements of 1915, we may anticipate by pointing out that so far as China is concerned, they are null and void. In the first place, it was Japan's ultimatum which forced China to yield. At the Paris and Washington conferences China sought to have these treaties and agreements abrogated, but she failed on both occasions because of Japan's opposition. Finally on March 10, 1923, the Chinese Government sent a note to the Japanese Government in which it was declared that, inasmuch as the Chinese Parliament had in January of the same year passed a resolution declaring the treaties and agreements of 1915 null and void, the said treaties and agreements could not be considered as binding. The Japanese government was asked to appoint a date on which to arrange the restoration of the administration of Port Arthur and Dairen to China, and to discuss other questions incidental to the abrogation of the treaties and agreements. The Japanese government, in its reply, rejected China's proposal and asserted that the treaties and agreements of 1915 were still in force. This controversy is one of the many outstanding issues between the two countries that will have to be settled in the future. So far as China is concerned, however, it must be repeated that the treaties and agreements of 1915 can no longer be regarded as binding.

Now we must return to events that occurred prior to the Paris and Washington conferences. Japan, being anxious to strengthen her position in Manchuria, concluded a new treaty with Russia on July 3, 1916. It was provided that, if the territorial rights or special interests in the Far East, of any of the Contracting Parties, recognized by the other Contracting Party, should be menaced, Japan and Russia would confer in regard to the support or co-operation to be given each other in order to safeguard and defend those rights and interests.

Lansing-Ishii Agreement

This Russo-Japanese treaty was followed by the Lansing-Ishii Agreement of November 2, 1917. In the said agreement the governments of the United States and Japan declared that "territorial propinquity creates special relations between countries," and "consequently, the Government of the United States recognized that Japan has special interests in China, particularly in the part to which her possessions are contiguous." The Lansing-Ishii Agreement was a great diplomatic triumph for Japan, for it was an outright recognition and confirmation of her claims in Manchuria. As for the United States, she could not have committed a worse blunder. By signing the Agreement she endorsed Japan's aggressive activities in Manchuria, received nothing in return for this generous endorsement, and at the same time alienated the goodwill of the Chinese people. Strange as it may sound, this important agreement was negotiated and concluded without any knowledge on the part of the American Minister in Peking! Furthermore, the two governments, while in one breath affirming Japan's "special interests" in Manchuria, showed their complete contempt for logic by declaring in another breath that "they always adhere to the principle of the so-called 'Open Door' or equal opportunity for commerce and industry in China," and that "they are opposed to the acquisition by any government of any rights or privileges that would affect the independence or territorial integrity of China or that would deny to the subjects or citizens of any country the full enjoyment of equal opportunity in the commerce and industry of China." The Lansing-Ishii Agreement was at last cancelled when, on April 14, 1923 by an interchange of notes between the Japanese Ambassador to the United States and the American Secretary of States, it was declared to be of no further force of effect.

Japan's ambitions in Manchuria were further revealed during the negotiations in 1918-1920 which led to the formation of the new Four-Power Consortium. The Japanese representative repeately declared that from the operations of the new consortium should be exempted the regions of South Manchuria and Eastern Inner Mongolia. Such extravagant pretensions, however, were strongly opposed by the representatives of the other Powers. Finally, Japan had to abandon the proposition that she had in South Manchuria and Eastern Inner Mongolia special interests which would justify her in asserting special rights over and above the claims of China and the other Powers. She was constrained to enter the Consortium upon practically the same terms as France, Great Britain, and the United States. The only reservation was that which exempted the South Manchuria Railway, its branches, and seven other railways from the joint activities of the Consortium.

The South Manchuria Railway

Attention has already been called to the fact that, in exploiting Manchuria, Japan's aim has always been to convert the Three Eastern Provinces into a veritable Japanese colony. In this exploitation her chief instrumentality is the South Manchuria Railway Company. This company was organized in 1906 as a joint-stock corporation. Although the Japanese imperial ordinance which sanctioned the organization of the company provided that the shares were to be owned by the Japanese and Chinese governments or by subjects of the two countries, all the shares, as a matter of fact, have from 1906 until now been exclusively owned by Japan. The Japanese government has always owned an amount of stock sufficient to enable it to control the operation of the company. At present it owns four-fifths of the paid-up stock. The head office of the company is at Tokyo and its president and vice-president are appointed by the government. The government also appoints directors from among the shareholders, and selects men to supervise the business of the company. In short, the Japanese government is in a position to exercise any power of control and direction that it may desire over the company's operations.

By another Japanese imperial ordinance of 1906 the organization of the Government General of the Kwantung leased territory was effected. The Governor-General was to "take charge of the protection and supervision of the railway lines in South Manchuria." He was further authorized to employ military force "for the protection or supervision of the railway lines." It was also provided that Japanese consular officials might be appointed as secretaries of the Government-General. The most ingeniously conceived arrangement, however, was the provision which gave the South Manchuria Railway Company the right of designating persons to be appointed Japanese consuls in Manchuria, "This," it has been aptly observed, "creates the remarkable situation..that if one has a claim or grievance against the Company he is obliged, under extraterritorial principles, to take the case for hearing before a judge who is practically an official of that Company."

The Japanese Government, by an order of August 1, 1906, authorized the South Manchuria Railway Company to operate seven different railway lines in Manchuria. The Company was also authorized to engage in mining, water transportation, electrical enterprises, warehousing, and business relating to the land and buildings on the land attached to the railway. The Company was ordered to make necessary arrangements for engineering works, education, sanitation, etc. It was also

permitted to "collect fees of those who live within the area of lands used for the railways and the accessory lines of business, or make any other assessments for necessary repairs."

More than twenty years have elapsed since Japan obtained the lease of the Liaotung Peninsula, and since the South Manchuria Railway Company came into existence. Limited space does not permit us to recount in detail the multifarious enterprises that the South Manchuria Railway Company is carrying on at present. Suffice it to say that Manchuria, commercially, industrially and financially, is wholly dominated by Japanese influence. A fairly accurate idea of Japan's predominent position in Manchuria can be had by examining the following table which is taken from the "Manchuria Daily News," the official organ of the South Manchuria Railway Company:—

(Japanese Investments in Manchuria)

	Yen
Transportation	330,000,000
Trade	15,000,000
Industry	74,600,000
Agriculture	19,000,000
Mining	8,000,000
Marine Products	15,000,000
Advances by Banks	626,000,000
Real Estate	150,000,000

But this is not all. In the exploitation of Manchuria by Japan, economic aggression has always been accompanied by political encroachment. Indeed Japan's economic and political interests in Manchuria are inseparable; and the very nature of the South Manchuria Railway Company, in view of its intimate connection with the Japanese Government, is unquestionably politico-economic. Japan has not hesitated to send troops into Manchuria—or any other part of China, for that matter. The Japanese Government has persisted in establishing police stations in the Three Eastern Provinces despite China's vigorous protests, and the Japanese consuls in Mainchuria are privileged to exercise judicial and administrative powers over the inhabitants living in those areas adjacent to the railways.

Our contention that Japan regards Manchuria as a colony of her own has been fully borne out by recent events. After pouring troops into Shantung in a futile attempt to stem the advance of the Nationalist armies, she handed to the Nanking and Peking Governments, on May 18, a most presumptuous note in which it was declared that "the Japanese Government attach the utmost importance to the maintenance of peace and order in Manchuria," "and that, should the disturbances develop further in the direction of Peking and Tientsin and the situation become so menacing as to threaten the peace and order of Manchuria, the Japanese Government, on their part, may possibly be constrained to take appropriate and effective steps for the maintenance of peace and order in Manchuria." Such threatening terms cannot fail to make one ask: to whom does Manchuria belong? is it Japanese territory?

But Manchuria is Chinese territory. This even the Japanese themselves will have to admit, regardless of the fact that they have long been casting a greedy eye on that vast fertile region. The United States Government has clarified its attitude in no uncertain terms by assuring the Nationalist representative at Washington that America regards Manchuria as Chinese territory; that America does not recognize that Japan has any special rights and interests in Manchuria; and that America regards the Nine Power Treaty signed at Washington in 1922 as binding upon Japan and all the signatory Powers. The European press has also declared in unmistakable terms that Japan's aggressions in Manchuria will not be tolerated. As for China herself, she will, needless to say, resist with all her power any attempt on Japan's part to convert Manchuria into a Japanese dominion or protectorate.

The predominant position that Japan now holds in Manchuria is indisputably a menace to China's independence and territorial integrity, which the Powers, including Japan, have on more than one occasion pledged themselves to respect. From her present position in Manchuria, Japan must be dislodged, to say nothing of letting her make further inroads upon China's sovereignty. The treaties and agreements of 1915, as we have seen, cannot be considered as binding on China. The lease of Dairen and Port Arthur, therefore, has already expired. It is only by force that Japan is still holding these two ports. The agreement whereby Japan acquired the control of the Antung-Mukden Railway has also expired. As to the South Manchuria Railway, the time origially set for its redemption by China is fast approaching. Japan must get out of Manchuria. The Manchurian question, indeed, is pregnant with possibilities of a most ominous nature. The Japanese Government, by persisting in its aggressive policies, endangers not only the friendly relations between China and Japan but the peace of the Far East as well. Should, some day, the Sino-Japanese clash in Manchuria lead to another great conflagration not unlike that of 1914, the world would have no difficulty in naming the culprit.

Yen Hsi-shan in Control at Peking

The net result of the Nationalist campaign so far is that Marshal Yen Hsi-shan, whose excellent work in Shansi has earned for it the title of "model" province, is in control at Peking and that General Chiang Kai-shek has resigned from his posts of Commander-in-chief and chairman of the Military Council, although he continues to "carry on".

General Pao Yu-lin's Fengtien troops evacuated Peking on the morning of June 10, leaving by the north-east gate. Shortly before noon on the same date, the Shansi troops, some six thousand strong, entered Peking by the south-west gate. Shansi representatives made formal calls on the doyen of the Diplomatic body and on other Ministers in the afternoon. One of the unfortunate incidents of the withdrawal of the Fengtien troops was that, contrary to an agreement which had been come to, in which some of the foreign Ministers had participated, the Fengtien troops were forcibly disarmed by General Han Fu-chu, a subordinate of General Feng Yu-hsiang, as they approached the town of Sanchienfang, about 20 li outside of Tungchow.

In the meantime the former tupan of Shantung, Chang Tsung-chung, who has been quartering his troops around Tientsin, "held up" the Chinese Chamber of Commerce and other public bodies and also prominent wealthy citizens for the sum of about two million dollars as the price of their withdrawing peaceably.

Chang Kai-shek's Resignation

General Chiang Kai-shek, in his petition asking leave to resign, stated that the unification of the country in future could only be attained gradually through the political strength of the central authorities, and as there was no further occasion to resort to war and in order to relieve the people of China of their sufferings, an early laying down of arms was necessary. General Chiang also stated that he would later submit proposals for rewarding the officers and men who had achieved merit and also for providing for the families and dependents of those who had fallen during the battles.

The situation at Tientsin assumed a much less tense aspect at the beginning of the week when, acting on the advice of the General Chamber of Commerce, the Chihli Provincial Assembly and other public organizations in Tientsin, General Hsu Yuan-chung resigned from the post he had held as director of the Military Affairs Bureau in Chihli, and espoused the Nationalist cause, assuming office as temporary garrison commander in Tientsin of the Nationalist Army. General Hsu upon assuming his new duties issued a lengthy proclamation, in the course of which he announced that he would order the troops on all fronts to hoist Nationalist flags, that they should cease hostilities immediately and that they were to await orders from the Nationalist government. He also guaranteed that order would be maintained, at the same time announcing that lawless soldiers or bandits would be severely dealt with. Incidentally Lieut.-General Arai, the Japanese commander-in-chief at Tientsin, issued a "warning" to the Chinese leaders on both sides.

Disorders at Mukden

Mukden has in the meantime become the principal danger spot. Upwards of thirty thousand Fengtien troops have retreated into the Mukden area during the past week or so and they are being billeted in villages around the city, and also in a village near Fushun. The office of the Japanese Residents Corporation in the walled city of Mukden was bombed about half-past eight o'clock on the night of June 10. Bombs were also thrown about an hour later in the vicinity of the Shan Hsi Pien Gate and at other points, and Japanese reports have it that great confusion ensued, the more so as the Chinese police constables disappeared.

As regards the point where Chang Tso-ling's car was bombed, the explosion having occurred just as the Generalissimo's car was passing under the viaduct where the South Manchuria line crosses the Chinese railway. *Reuter's* correspondent at Mukden telegraphed June 7 that experts estimated the amount of explosives required for such destructive effects at about 200 pounds, and to time an explosion to the fraction of a second some electrical device was necessary. Six hours' work would be required to put such explosives into position. Witnesses were quoted as saying that the place had been closely guarded on the previous night and all passers kept at a distance but that at daybreak the guards retired to bomb-proof log-cabins.

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General Chiang Kai-Shek's Political Gesture!

BY J. B. P.

The petition of Gen. Chiang Kai-shek, Commander-in-Chief of the Nationalist Military Forces, to the Nationalist Government asking to be relieved of his military offices, which was circulated to the press by the official *Kuo Min* news agency on June 10 has served to stir up considerable speculation regarding alleged discord which has developed in the Nationalist camp since the occupation of Peking by the armies of Gen. Yen Hsi-shan.

Gen. Chiang's petition to the Government, which the Government has since rejected, started out by asking the Government to relieve him of his duties as Commander-in-Chief and also the chairmanship of the Military Council. The petition then reviewed the military phases of the revolution which have taken place since July, 1926 when Gen. Chiang Kai-shek was originally appointed to his position. "Guided by the spirit of our late leader (Dr. Sun Yat-sen) and with the authority of the Government Council behind me, I repeatedly defeated the enemy troops until last summer when our forces reached the Yangtsze River," said Gen. Chiang. He then tells of his resignation in the summer of 1927 when difficulties developed with the Kwangsi faction in the Kuomintang. He then states, "subsequently I was once more instructed by the Central authorities to attack the enemy. We marched forth to the battle-field and thanks to the bravery of our troops and the exertion of all comrades, within two months the Province of Shantung was conquered and Peking occupied, and though the complete success of the Revolution still demands our efforts, the final obstacle to the completion of the military program is removed. Hereafter, the unification of the country and the extermination of the enemy can only be gradually achieved through the political strength of the Central authorities."

Gen Chiang Kai-shek, who has asked the Nationalist Government to relieve him of his military and political offices.

Gen. Chiang then declares, "the day of the realization of the object of the war is also the day of the termination of the position and authority of the Commander-in-Chief," following which statement Gen. Chiang reminded the Government that when he resumed command of the Nationalist forces in February, 1928, he promised to resign following the conclusion of the campaign. He then asks that the troops formerly under his command be restored to their original commanders; that the Government immediately take steps to provide relief for wounded and incapacitated troops; and for winding up the campaign in the North. Gen. Chiang then states his intentions of shortly submitting proposals to the Government for "national reconstruction."

Gen. Chiang in the foregoing petition said nothing about resigning his position as head of the Central Political Council, but a later report by the *Kuo Min* news agency on June 12 also stated that Gen. Chiang had also resigned this position, since "being essentially a military man, he is not conversant with politics."

Government Rejects Resignation

As stated in the foregoing, the Nationalist Government Council immediately rejected Gen. Chiang Kai-shek's petition of resignation and instructed him to remain in office. Tan Yen-kai, Chairman of the Government Council, and Chang Ching-kiang, prominent member of the Government, called on Gen. Chiang and urged him to remain in office and pointing out that "although the pacification of Chihli Province is nearly completed, the Three Eastern Provinces still remain unconquered." The report also stated that Gen. Chiang did not intend to leave Nanking for the present and that before handing in his resignation he had made arrangements for the control of military affairs in the Peking-Tientsin district by instructing that all troops at the front be placed under the sole command of Gen. Yen Hsi-shan, "pending the arrival of Gen. Feng Yu-hsiang and that the 1st,4th and 9th armies be transferred to the rear for a rest."

Forecasts of Internal Discord

Gen. Chiang's petition of resignation immediately had the effect of starting a whole crop of rumors regarding dissension in the Nationalist camp, most of these rumors originating from articles appearing in the *North-China Daily News*, the official British organ in Shanghai and from Japanese sources alleging that serious differences have arisen between the Shansi General Yen Hsi-shan, and Marshal Feng Yu-hsiang over the control of the Peking-Tientsin district. The article in the *North China Daily News* alleged that an alliance had been formed between Yen Hsi-shan and the so-called Wu-Han faction in the Kuomintang against Feng Yu-hsiang and Chiang Kai-shek and that the recently organized 4th Nationalist Army under Generals Li Tsung-jen and Bei Tsung-chi of Hankow, which is now in Chihli Province, would be used against Feng Yu-hsiang in order to dislodge the "Christian General" from his position in Honan Province. It was also stated that in accordance with the original arrangement, Gen. Yen Hsi-shan was to have control of the Peking-Tientsin area and that Feng Yu-hsiang was to have control of Shantung Province in addition to his original territories in Honan, Shensi and Kansu, but that the Japanese occupation of Shantung had made that territory undesirable for Gen. Feng. Hence Feng Yu-hsiang, according to the report, was now trying to crowd Gen. Yen Hsi-shan out of northern Chihli in order that he could assume command of that area, Gen. Feng's chief purpose being to obtain control of some port for the purpose of importing ammunition.

Dr C. T. Wang (Wang Chengting) who has just been appointed Minister of Foreign Affairs of the Nationalist Government.

Japanese Also Oppose Feng Yu-hsiang

The Japanese semi-official *Toho* news servies, as indicated in the editorial columns of this issue of *The Review* has also been spreading reports regarding alleged dissension in the Nationalist military camp in the North, the Japanese apprehension regarding Marshal Feng apparently being due to the fact that Feng is actively cooperating with Yen Hsi-shan in driving the Fengtien troops out of the Peking-Tientsin area, which the Japanese seemingly fear may be preliminary to a campaign by Marshal Feng into Manchuria. This much was indicated in Japanese editorial comment which was cabled to Shanghai by *Reuter's* service from Tokyo on June 12.

These various rumors regarding Marshal Feng Yu-hsiang's intentions to occupy the Peking-Tientsin area were officially contradicted in a *Kuo Min* dispatch on June 12 which stated that Marshal Feng had sent a telegram to his commander in the Peking district, Gen. Han Fu-chu saying that "the Kuominchun fights for territory only in order to return it to the people and that the Peking-Tientsin area is not to be occupied by the Kuominchun and that as soon as the remnants of the Northern militarists are exterminated, the Kuominchun troops would be withdrawn to Honan, Kansu and Shensi Provinces." In reference to political affairs Gen. Feng declared, "all political affairs must await the solution of the Central Authorities at Nanking."

The Pao-Yu-lin Incident

Prior to the evacuation of Peking by the Fengtien forces, the Diplomatic Corps in Peking sent a telegram to the Nanking Government asking that the Fengtien General Pao Yu-lin

with some 1,500 troops be permitted to remain in the city pending the arrival of the Shansi troops. Nanking agreed to this, the reply to the Diplomatic Corps stating that the Shansi troops would not attack the remaining Fengtien troops providing they evacuated the city simultaneously with the arrival of the Shansi forces. The occupation of Peking and the evacuation of Gen. Pao Yu-lin's troops apparently took place as per schedule, but when the Fengtien troops started for Tientsin they were met and disarmed by Marshal Feng Yu-hsiang's forces under Gen. Han Fu-chu, which were quartered in the vicinity. The Peking Diplomatic Corps immediately considered this a violation of the understanding with the Nationalist Government and according to the reports from Peking the American, British, Japanese and French Ministers went out to interview Gen. Han Fu-chu. The Japanese *Toho* reports state that Gen. Han received the foreign ministers in his shirt-sleeves and treated them in a very abrupt manner and informed them that he had disarmed the Fengtien troops because they were "enemies" and his instructions were to prevent the Fengtienites from returning to Manchuria if possible. In the meantime the Fengtien General Pao Yu-lin succeeded in escaping to the Legation Quarter in Peking where the foreign diplomats are providing him refuge in the British-owned Wagons Lits Hotel—an obvious violation of the Boxer Protocol.

Dr. C. T. Wang Appointed Foreign Minister

Dr. C. T. Wang (Wang Cheng-ting) has been formally appointed Minister of Foreign Affairs of the Nationalist Government, and, according to report, formally assumed office in Nanking on Thursday, June 14. Dr. Wang has not yet disclosed his plans, but an alleged interview appearing in the *Ta Chung* news agency reports on June 12 stated that Dr. Wang's intentions are to immediately institute negotiations for treaty revision. "As a first step," Dr. Wang is quoted as saying, "I shall renounce those Sino-foreign treaties, the terms of which have already expired, and conclude in their places new treaties on the basis of equality and reciprocity." Dr. Wang was also quoted as saying that he considered the Sino-foreign Tariff Convention as "the most unequal of all unequal treaties," and announced his intentions of taking immediate steps with the Powers most friendly toward China to secure tariff autonomy for China as soon as possible. He concluded the interview by stating that if the Chinese people and Government "would form a united front that it would not be difficult to handle diplomatic dealings with foreign nations."

Nationalist Foreign Policy

The Nationalist Government Council in a manifesto which was drafted by Wu Tze-hui, Tsai Yun-pei, Yu Yui-jen, Chu Chi-ching and Ting Wei-feng, and made public on June 11, declared that the reconstruction program of the Nationalist Government could not be carried out "in the face of various existing restrictions imposed upon China by the unequal treaties, hence the time has arrived for drafting new treaties on a basis of equality and mutual respect." The manifesto stated further that the best guarantee of peace and security of foreigners and their property in China "was based upon sincere mutual understanding and friendly relations," hence the Nationalist Government "candidly informs the foreign Powers that all foreign troops should be withdrawn immediately from Chinese soil in order to remove sources of misunderstanding and mutual suspicion. The recent Tsinan incident with the Japanese proved conclusively the futility and danger of dispatching troops to Chinese territory and if the Powers persist in dispatching troops to whatever Chinese territory their nationals happen to be residing will finally have the effect of compelling the Nationalist Government to close the interior of the country to foreign residence."

In reference to the Tsinan incident, the manifesto repeated its previous proposal that the case be submitted to an International Commission of Inquiry or International Tribunal for final decision.

The manifesto concluded by stating that the Nationalist Government recognized that "China cannot maintain an isolated position in the family of nations and is prepared to welcome cooperation and assistance from friendly Powers."

On Wednesday, June 13, the Nationalist Government made public through the *Kuo Min* news agency a summary of its program pertaining to domestic affairs, the program containing recommendations for domestic reform under five headings: First, systematization of civil control and establishment of a legal administration safeguarding the lives and properties of citizens; Second, establishment of a civil service for the purpose of eliminating corruption and incompetence among officialdom; Third, extermination of banditry and lawless soldiery; Fourth, abolition of extortionary taxation in order to give the people a chance to recuperate; and Fifth, immediate and drastic reduction of the surplus soldiery.

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Men and Events

Ling Sien-tseh has been appointed Commissioner of Foreign Affairs of Chihli Province.

Mrs. Nelson Lurton, wife of the U. S. Commissioner Shanghai, departed last week for the United States on a holiday.

The death occurred Sunday, June 10, of John, ten-year old son of Dr. and Mrs. Edward L. Hall of the National Committee, Y. M. C. A., Shanghai.

A son was born June 9 to Mr. and Mrs. Clarence W Cumming. Mr. Cumming is the representative in China of Kullman, Salz & Co., New York city.

Dr. Wang Chung-hui will shortly be appointed Minister from China to France, according to a recent report from the Nanking Ministry of Foreign Affairs.

A. B. Tyrrell, the China representative of the Radio Corporation of America, arrived back in Shanghai last week from a trip to North China and Manchuria.

Chien Chung-kwei has been appointed by the Nationalist Government, Salt Commissioner of Changlu, and concurrently Head of the Tobacco and Wine Tax Bureau in Peking.

General Hu Wen-tou has been promoted to the post of Commander of the Sixth Army to succeed General Li Min-kao, who has been made a member of the Hunan Provincial Government.

The Hertzberg Peacock Enterprises, Incorporated, U.S.A., S. Hertzberg, vice president, and Luther M. Jee, treasurer, are taking over the business of the Embassy and Apollo theaters in Shanghai.

S. U. Zau, chairman of the Chinese General Chamber of Commerce, has been appointed director of the Shanghai Office of the Ministry of Industry and Commerce and Shou Ching-wei associate director.

A. van Herwijnen, general manager of the Grand Hotels, Ltd., at Tsingtao, has issued a circular letter pointing out that Tsingtao is the safest place in China and that local amenities and amusements remain as active as ever.

Charles J. Doughty, managing director of a large American plumbing establishment in Shanghai, is suing his wife Florence G. Doughty for a divorce in the U. S. Court for China. Mrs. Doughty is in the Philippine Islands.

Alexander H. Ford, director of the Pan-Pacific Union at Honolulu, has written to the *Review* that the Pan-Pacific debating-team—Walter Mihata, Diaho Chun and Stowell Wright—will arrive in Shanghai about middle of June.

The Chinese colony at Cebu, Philippine Islands, celebrated in a hilarious fashion the "capture" of Peking on May 23. The premature celebration was the result of an erroneous telegram stating that the Nationalists had already captured the Chinese capital.

Shanghai Customs returns for May show that there has been a substantial increase in imports for the month as compared with the same month last year. The total for the first five months this year is greater than for the corresponding period last year.

As a result of radio competition, the various cable companies operating out of Shanghai have announced a reduction of their press rate from Mex. $0.25 to Mex. 0.15 a word. Reduced rates on night letters to Manila and other points are also announced.

Dr. Vance B. Murray, U. S. health officer in Shanghai, departed during the week for a holiday in Japan, travelling *via* Korea. Dr. Murray will be back in Shanghai in about a month and then intends to proceed to the Argentine Republic, where he will be stationed in future.

An action brought by F. F. Glass against the Commercial Credit and Information Bureau of Shanghai on a promissory note for $2,500 has been set by the U. S. Court for China to be heard June 19. The defendants allege that the plaintiff misrepresented the value of a printing plant which he sold to them.

The *Pan Pacific Monthly* for June is a Women's Conference number, having particular reference to the tiffin which took place April 30 at the Union Club in Shanghai, when over two hundred Chinese and foreigners attended. The Pan-Pacific Women's Conference will be held in Honolulu in August.

The April issue of the *South China Review*, published by the Canton Branch of the Central Political Council, contains articles not only having special reference to Kwangtung province, but articles of a general nature, including one by Tai Chi-tao on Proposals for the Development of Education and the Uplifting of Young Men.

The China Critic, the newly established weekly journal, edited by Chang Hsin-hai, in its issue for June 7, contained articles on Japan's Position in Manchuria, by Chin-jen Chen; on the Educational Conference at Nanking by Chang Hsin-hai; and on Problems of Economic Construction by D. K. Lieu, in addition to other valuable material.

Mr. and Mrs. Harry E. Edmonds, directors of the International House of New York, who recently arrived in Shanghai from the United States were entertained at a dinner at the China United Assurance Company, Bubbling Well Road, June 11, by Dr. Herman C. E. Liu, president of Shanghai College, Miss Dorothy Wang, Jerome Liu, D. S. Yui, Mrs. C. H. Chun and others.

The Universal Review is the name of a well edited and well printed journal published in Hawaii, which, according to the title page, is "devoted to the Japanese and Chinese in Hawaii and throughout the Pacific." The editor is Ruddy F. Tong. A sentence in an editorial in the May issue reads: "Our white brothers may discriminate against us in society, in legislation, in economics, and along every other line of endeavor, but that does not mean that we are inferior."

J. Merle Davis, General Secretary of the Institute of Pacific Relations, who arrived in Shanghai last week and later proceeded to Peking was entertained at a tiffin by the China Council of the Institute at the Banker's Club June 6. Following the luncheon, Mr. Davis spoke briefly on his recent trip in Europe and also on the greater program that the Institute proposes to undertake for the coming years. The next conference of the Institute, is to be held in Kyoto, Japan, early in October.

The *Chinese Recorder* for June, among other excellent articles, contains a contribution from R. B. Whitaker on the subject "Economic Independence and Spiritual Vitality." Mr. Whitaker says that the Western Church can go a long way towards helping the Chinese Church without weakening its morale, by making schools and hospitals separate from the churches in organization and administration. The *Recorder* is published from the Mission Building, Shanghai. The editor is Frank Rawlinson.

Y. M. C. A. Officers Hold Conference at Pootoo Island

The Fifth Employed Officers' Conference of the Y. M. C. A's of China, which is being attended by more than 100 delegates representing some 33 different city associations throughout the country, was formally opened at Pootoo (an island off the east coast of Kiangsu province) on Wednesday, June 13. The Conference, regarded as one of the outstanding events of the Y. M. C. A. Movement in China, will be in session for a week. The primary object of the meeting is to re-examine, re-define and re-determine the policies of the Association so that they shall be best adaptable to the needs of the rapidly-changing Chinese society.

The Conference is being held under the joint leadership of Dr. David. Z. T. Yui and Dr. Fletcher S. Brockman, Secretary for the Far Eastern Area of the Y.M.C.A.'s of North America and Associate General Secretary of the Y.M.C.A's of the United States and Canada, who recently arrived in Shanghai with Charles A. Herschleb, corresponding secretary of the National Council of the Y. M. C. A's of the United States.

Madame Soong Celebrates Sixtieth Birthday With Family Reunion

The sixtieth birthday of Madame Soong was celebrated at Nanking, Sunday, June 10. Her daughters and sons-in-law, Dr. and Mrs. H. H. Kung, Nationalist Minister of Industry and Commerce, and General and Mrs. (Mei-ling) Chiang Kai-shek, Nationalist Generalissimo, joined with Mr. and Mrs. T. V. Soong in the celebration, which was strictly private. Madame Soong was accompanied on the journey back to Shanghai the next day by Mr. and Mrs. T. V. Soong and Dr. and Mrs. H. H. Kung.

Four Southern Provinces Plan Big Bank and Industrial Enterprises

A meeting attended by representatives of the Kwangsi, Kweichow and Yunnan provincial governments and members of the Kwangtung provincial council was convened in Canton June 7 by General Li Chai-sum for the purpose of organizing a South-Western China Development Company and also to organize a South China Industrial Bank with a capital of $20,000,000. Yen Chieh-fang of Shanghai has been asked to proceed to Shanghai to participate in the formation of the proposed bank.

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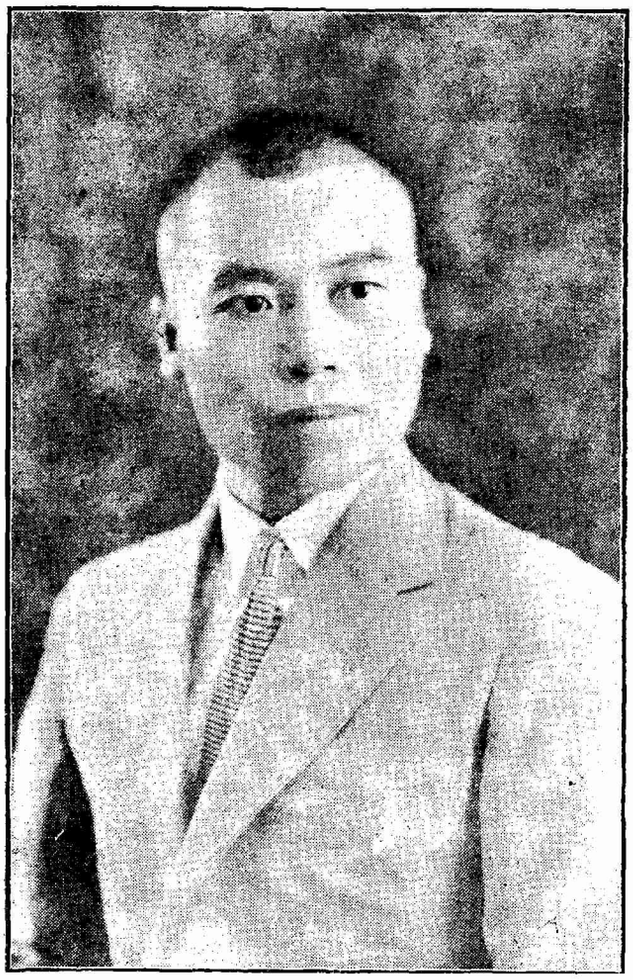


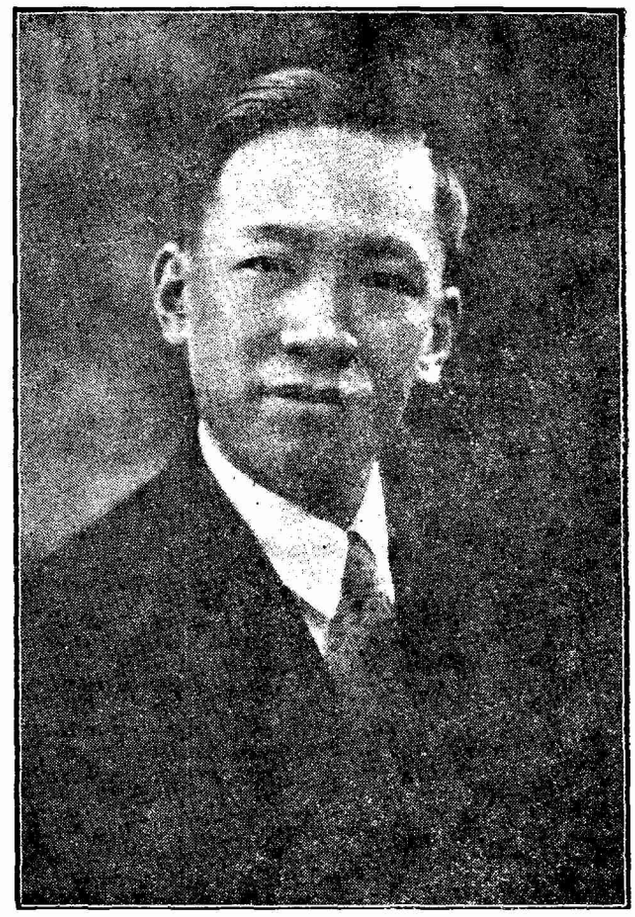
General Li Tsung-jen

鄺德孚仁宗李

(Li Chung-jen)

General Li Tsung-jen, one of the leading military leaders of the Nationalist Revolution, holding the posts as Commander-in-chief of the 4th Unit and Chairman of the Wuhan Political Council, is a native of Kweilin, Kwangsi, where he was born in 1890. He received his early education in his native province, graduating from the Military Academy. After completing his military training, General Li joined the army and was promoted from the rank of a private to that of division commander. When the anti-Northern Expedition started from Canton in 1926, General Li was made Commander of the famous 7th Army. In the latter part of 1926 he led his army in the Nationalist attack against Sun Chuan-fang in Kiangsi province and assisted in the capture of Kiukiang which brought that city under the Nationalist banner. When the Nationalist Government was established in Nanking in 1927, General Li was appointed a member of the Military Council and Commander of the 3rd Route anti-Northern Expeditionary Forces. He turned the command of the 7th Army over to General Hsia Wei and was active in the elimination of the Communistic elements in the Kuomintang. In the autumn of 1927, General Li distinguished himself in the famous Lungtan battle against Sun Chuan-fang who had recaptured Pukow, crossed the Yangtse River and was endeavoring to reoccupy the Lower Yangtsze area. Gen. Li's forces defended the city and saved the situation, pushing Sun Chuan-fang's forces back to the other side of the river.

In the spring of 1928 when the Kwangsi group of the Kuomintang, of which Gen. Li is a leading member, came into power in Central China, General Li went to Hankow. In May 1928 he assumed the post as Chairman of the Wuhan Political Council and also as Commander-in-chief of the 4th Unit which consists of all the armies in Hunan and Hupeh provinces. Through the arrest and disarming of General Chen Chien and his troops, Gen. Li Tsung-jen became the leading commander in the two provinces of Hunan and Hupeh.



Mr. Tsuyee Pei

貝淞孫

(Pei Sung-sun)

Mr. Tsuyee Pei (Pei Sung-sun), manager of the Bank of China at Shanghai, is a native of Soochow, Kiangsu province, where he was born in 1893. He received his education at Soochow University and the Tangshan Mining and Engineering College, following which he joined the Shanghai office of the Han-Yeh-Ping Coal and Iron Company as an accountant. Later in the same year he resigned, to accept a position with the Bank of China at Peking and after a time there, was transferred to Canton as chief accountant.

In 1916 Mr. Pei was appointed sub-manager of the Canton branch of the Bank of China and in 1917 he was promoted to acting-manager. The same year he was appointed by the Government as liquidator of the Deutsch Asiatische Bank. In 1918 he opened the Hongkong branch of the Bank of China and remained there as manager until June, 1927 when he was transferred to Shanghai. While in Hongkong, Mr. Pei was active in public affairs and was widely known in both the Chinese and foreign communities. Shortly after arriving in Shanghai Mr. Pei was made manager of the Bank of China, a position which he still holds. He is active in the affairs of Shanghai and in 1927 served as a member of the Budget Committee of the Shanghai Municipal Council and early in 1928 was elected one of the first Chinese members of the Shanghai Municipal Council. Mr. Pei is a member of leading Chinese and Sino-foreign organizations at Shanghai including the Union Club, Pan-Pacific Association, and the Chinese-Foreign Famine Relief Association, being the treasurer of the latter organization. He is also active in the Chinese Bankers Association.

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From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official), Ta Chung (Kuominchun) and Toho (Japanese) news agencies, and from translations of articles and dispatches appearing in the local Chinese press).

Tuesday, June 5—Gen. Chiang Kai-shek returns to Nanking from trip to Chihli province where he interviewed Feng Yu-hsiang and Yen Hsi-shan and after an executive conference with Tan Yen-kai, chairman of the Government Council, with Gen. Chiang acting as chairman of the Political Council, it was decided that Gen. Yen Hsi-shan should be appointed commander of the gendarmies at Peking and Tientsin and following mandate to this effect an urgent telegram was sent to Gen. Yen instructing him to proceed to Peking from Paotingfu immediately—Gen. Li Yuan-hung, former President, dies in Tientsin at the age of 65—Generals Sun Chuan-fang, Yang Yu-ting and Chang Hsueh-liang hold conference at Peking and decide to make a defence at Shanhaikwang and notify Nationalists if they attempt advance into Manchuria they will fight—More than 2,000 passengers and freight cars transferred to Peking-Mukden line to move Fengtien troops; reported that American Legation protested removal of the Blue Express cars owing to the fact that American firms have lien on them—Gen. Shih Ching-ting, acting chairman of Shantung provincial government has asked Feng Yu-hsiang for two divisions of troops for protection of government offices there--Ho Yu-shu takes oath of office in Nanking as Commissioner of Agriculture and Mining for Kiangsu province; Kiangsu rural bank formally organized with Ko Tan-hsien—Delegations of Chinese professors and students from Hangchow and Amoy arrive in Shanghai to visit local colleges and universities—Nanking Government Council formally appoints Yen Hsi-shan commander of garrison forces in Peking-Tientsin area and orders him to take over control of the two cities; gives instructions for occupying city and preserving order; regarding Nationalist policy toward Manchuria, the Nationalist Government Council forwards three minimum conditions to Yang Yu-ting and Chang Hsueh-liang (1) retirement of Chang Tso-ling; (2) Chang's successor to be true adherent of Three People's Principles; (3) Chang's successor must obey orders of Nationalist Government and fly Nationalist flag, throughout Manchuria—*Kuo Min* report states that Yen Hsi-shan's forces entered Peking on June 4th and that control of city has passed peacefully to Nationalist control; Sun Chuan-fang reported to have issued circular telegram announcing his retirement; Chang Chung-chang flees to Dairen; Yang Yu-ting and Chang Hsueh-liang, owing to Mukden bomb affair, agree to surrender the remaining Fengtien forces to Yen Hsi-shan; Gen. Chu Yu-puh, former Chihli tupan reported hiding in Japanese concession at Tientsin; Lo Wen-kan, Wellington Koo, Wu Ching, Shen Sui-lin also reported in Tientsin concessions—Chen Tiao-yuan and Fong Chen-wu report occupation of Machang, southward of Tientsin and state they are entering outskirts of Tientsin—Standing Committee of Central Executive of Kuomintang issue warning to Hsu Chung-chi, Chen Tien-kuo, Chen Han-yu and Chow Lu for violation of Party discipline; appropriate $30,000 for building library for Party Headquarters—Former President Li Yuan-hung, who died in Tientsin leaves circular telegram to Chinese people advising unity of country and reconstruction—*Kuo Min* agency issues report on progress of boycott stating boycott progressing rapidly at Hangchow, Ningpo, Changchow, Canton-Chiang Tso-ping, chairman of the political committee in War Zone orders protection of Confucian tomb at Chufu, Shantung—Kiangsu magistrates hold conference to arrange for provincial census immediately—China Merchants Steam Navigation Company temporarily suspends sailings between Shanghai, Chefoo and Tientsin—Gen. Li Chung-jen, head of 5th Group Nationalist Army declares China must deal justly and firmly with the Japanese but must oppose their demands and safeguard the country—Gen. Li Chi-sum at Canton takes steps to stabilize currency in Canton area.

Wednesday, June 6—Nationalist Government replies favorably to request of Diplomatic Corps to permit Fengtien brigade under Gen. Pao Wen-yueh to remain in Peking for police purposes until Gen. Yen Ysi-shan's troops arrive in and take over city—Commander of 2nd Squadron of Japanese Navy who issued ultimatum to Nationalist Admiral Yang Shu-chuan warning against staging sea-battle in vicinity of Northern Chinese ports, asks Nationalists for return of his note owing to adverse international criticism of his actions—Chang Hsueh-liang and Yang Yu-ting depart from Peking accompanied by Sun Chuan-fang and Chen Hsin-ya—Peking report by *Kuo Wen* confirms death from bomb outrage of Gen. Wu Chun-sheng, tupan of Holungkiang and leader of the older section of the Fengtien party—Japanese operation of "international" train between Peking and Tientsin, but *Kuo Wen* report states American Minister objected—Reported Gen. Chu Yu-puh obtained $500,000 from Peking Chamber of Commerce before he evacuated—Gen. Bei Tsung-chi departs from Hankow with army to join in Northern expedition; Japanese *Toho* report alleges his real purpose is to undermine Feng Yu-hsiang in Honan—*Kuo Wen* report states Japanese Cotton Yarn Market becomes active in Shanghai again and sends goods to interior indicating boycott is weakening—Wu-Han Division of Central Political Council adopts proposal to regulate note issues of Banks of China and Communications and Central Bank; recommends issuance of subsidiary notes; recommends financial conference to stabilize finances in Hunan and Hupeh--Yen Hsi-shan leaves Paotingfu for Peking; National flags flying in Peking; Shansi commanders Hsu Yung-chang and Tan Ching-ling accompany Gen. Yen to Peking—Nanking Council appoints committees to take over Peking Ministries, Tao Li-chen to have charge of liquidation of Peking Ministry of Foreign Affairs—Fengtien troops reported to have completely withdrawn from Peking-Hankow and Tientsin-Pukow lines—Nanking Law Codification Bureau drafting law to make female descendants equal under law from standpoint of inheriting property—Shanghai-Nanking Railway will run daily freight to facilitate shipment of silk and tea to Shanghai market—Shanghai Commissioner of Foreign Affairs King issues text of Nationalist reply to American Note on protection of American citizens—Nanking Council orders promulgation of regulations for settlement of capital-labor disputes; that revised criminal code be promulgated; that Li Ai-hsi be appointed chief secretary of Shantung Provincial Government—T. V. Soong, Finance Minister asks for detailed financial report on various provincial and national taxation organs before June 15; also asks similar information from salt gabelle, customs, kerosene tax, wine and tobacco, stamp tax bureau etc.—Hunan Provincial Government decides to reduce surplus troops immediately—*Ta Chung* report states that late Dr. Sun Yat-sen in the Piyungssu Temple in Western Hills near Peking are carefully guarded by students of Hsingshan orphanage nearby—Feng Yu-hsiang replies to telegram from Presbyterian Mission regarding occupation of mission property at Tsining, Shantung, stating his troops are not in that territory—*Ta Chung* agency states report of removal capital to Peking is without foundation and that Peking in future will be of no more importance to the Nationalist Government at Nanking than Techow or Paoting-Military review of all students in Shanghai schools set for June 10.

Thursday, June 7—*Kuo Wen* report states that Gen. Chang Hsueh-liang and Gen. Yang Yu-ting left Peking in disguise and that Chang Hsueh-liang took with him a number of important Government documents and seals—Reported that retreating Fengtien troops destroyed all railway signals and water-tanks on the Peking-Hankow and Peking-Mukden railways in vicinity of Peking—Gen, Chang Huan-hsiang, Defense Commissioner of Chinese Eastern Railway Zone arrives in Mukden for conference to devise means of dealing with Manchurian situation following death of Gen. Wu Chun-sheng, tupan of Holungkiang; Gen. Chang Huan-hsiang declares he will take charge in Mukden temporarily—Wu-Han army will continue to move north despite retreat of Fengtien forces; reported that Gen. Fan Chung-hsiu who rebelled against Feng Yu-hsiang in southern Honan sometime ago, will now join up with northern expedition—Nationalist Government Council definitely appoints Dr. C. T. Wang as Minister of Foreign Affairs in succession to Hwang Fu, whose resignation was accepted. Nationalist Central Executive Committee issues orders for protection of families of defeated Northern generals—*Kuo Wen* report from Nanking states that it is practically certain Marshal Chang Tso-ling is dead—Chinese protests by Chambers of Commerce and other organizations regarding Japanese activities in Shantung, officially presented to League of Nations at Geneva—Nanking Government makes public recent Note of Diplomatic Corps regarding peace measures in Peking pending occupation of City by Nationalists and Nationalist reply thereto—Nanking decides to create separate special municipalities at Tientsin and Peking similar to administrations at Nanking and Shanghai—Nanking considers plan for taking over Manchuria without fighting—Nanking Central Political Council preparing manifesto on Nationalist policy on both foreign and domestic affairs—Meeting of Nanking Government Council appointing Dr. C. T. Wang Foreign Minister attended by Tan Yen-kai, Hsueh Tu-pi, Wang Peh-chun, Yi Pei-chi, Chang Ching-kiang, Yeh Tsu-chang, Yu Yui-jen, Tsai Yuan-pei, H. H. Kung, Ting Wei-feng and Ho Ying-ching—Nanking decides to establish department of Agriculture and Mining in Shantung; adopts proposal of Tsai Yuan-pei for unifying educational control

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throughout country; that Chen Kung-po be asked to give an account of the sum of $240,000 which he is alleged to have received from the Central Bank in Canton for transferrance to Chiang Kai-shek, but Gen. Chiang is said not to have received—*Kuo Min* report states that German Government considering official recognition of Nationalist Government—T. V. Soong, Finance Minister recommends adoption of a budget for 1928; also issues orders for economic conference to meet probably on 15th June—Wu-Han Division of Government Council decides to open factory to employ disabled soldiers—Nanking Council remits $300,000 to Hupeh for rehabilitation purposes—National University Council will issue full report of recent educational conference—June 10 last day for registering Japanese goods—Hsueh Tu-pi, Minister of Interior issues regulations for promoting manufacture of native goods—Chiang Kai-shek orders construction of military barracks at Kinwa, Wu fu, Ningpo, Kashing, Hashan, Fingching, Hangchow Kienkiao and Nansingkiao.

Friday, June 8—Nationalist Government decides promulgate mandate eulogizing life career late Li Yuan-hung appropriate funds for funeral—Council appoints Tsai Yuan-pei, Ting Wei-feng, Yu Yui-jen, Wu Tze-hui to draft message to foreign powers and Chinese people regarding future policy—T. V. Soong's proposal for $40,000,000 loan on kerosene tax approved—*Kuo Wen* report states Yen Hsi-shan wired Nanking Council advocating removal of capital to Peking using argument that buildings available and Peking in closer touch with Manchuria, Mongolia and foreign powers through Diplomatic Corps; Chang Ching-kiang, chairman Central Executive Committee, strongly opposed on grounds Sun Yat-sen desired capital Nanking and Sun's remains shortly be brought Nanking for burial; other leaders siding with Chang Ching-kiang included Li Lieh-chun, Chiang Kai-shek and Tan Yen-kai; Nanking Ministries sent representative to Peking to take over departments and bring important documents to Nanking; declared most likely that Peking be made branch political council with Li Lieh-chun chairman, leaving Yen Hsi-shan chairman Taiyuanfu branch —50,000 women and 5,000 male silk operatives strike owing to row with police over alleged police beating up and wounding striker—Gen. Liu Hsiang of Szechuen wires Nanking that Gen. Lo Tze-chow is supporting Yang Sen against Nationalist Government and asking assistance—Gen. Li Chung-jen, commander of the new 4th Nationalist Army and chairman of the Wu-Han branch political council wires Nanking urging continuance of war into Manchuria—*Kuo Wen* message states that convalescent troops at Hangchow stage riot with local police causing many casualties both sides—*Kuo Min* report states Nationalist flags flying throughout Peking and conditions within city peaceful; Yen Hsi-shan still at Paotingfu—Hu Han-ming, Sun Fo and Wang Chung-hui send joint cable from Paris congratulating Chiang, Feng and Yen on Nationalist victory urging immediate unification country—Chiang Kai-shek denies report he has sent officers to Tientsin to reorganize the Chihli-Shantung troops into the Nationalist Army—Shanghai Chamber of Commerce Boycott Committee considers plans for disposal of Japanese goods on local market—Tan Yen-kai, T. V. Soong, Chiang Kai-shek, Ting Wei-feng and Yu Yu-jen appointed committee custody of funds from overseas Chinese—National University Council decides to appoint Wu Tze-hui president of the National Central University in place of Chang Nai-yen who is made member of University Council; Hu Kang-fee appointed head of Central Research Council and Fu Shi-lien director of higher education—Chiang Kai-shek expected in Shanghai shortly to review cadets from all Chinese schools—Central Party Headquarters decides to compile history of Kuomintang for distribution throughout country—*Kuo Min* report from Tsingtao states that leading Chinese residents being forced to leave city owing to high-handed activities of Japanese; Chinese businessmen at Tsingtao promoting boycott Japanese Goods; reported that Gen. Liu Tse-liu's northern troops, numbering 8,000 at Tsingtao may go over to South—Honan Provincial Government decides to confiscate property of Tsai Yun-shen, commander of Fengtien army and distribute proceeds among poor of Loyang, the amount of money amouting to from $6 to $10 for each poor person—T. V. Soong instructs various financial bureaus in Peking to carry on temporarily until the Nanking Finance Ministry's representatives can reach Peking to take over—Retreating Fengtien troops take back to Manchuria practically all locomotives of other Chinese Railways—*Ta Chung* report estimates Chang Tso-ling's personal property at $90,000,000 and Wu Chung-shen's property at $50,000,000; total amount of paper money in circulation estimated at $2,700,000,000.

Saturday, June 9—Tsai Yuan-pei, Chancellor of National University Council decides to go to Peking to take over the various public educational institutions on behalf of the Nationalist Government; Dr. Tsai appointed President of Peking National University with Li Shih-tseng to serve as acting president pending Dr. Tsai's assumption of office; also decided to change name of institution to "Chung Hua University of Peking"—Hu Han-ming and Sun Fo telegraph Nationalist Government from Paris recommending the creation of five National Government Councils, Legislative, Administrative, Judicial, Examination and Supervisory to be composed of members of the Central Executive and Supervisory Committees only as preliminary to National reconstruction—Gen. Chen Ming-shu definitely declines appointment as chairman of Kwangtung Provincial Government Committee and Canton authorities wire Hu Han-ming asking him to return from Europe and accept the post—Gen. Lu Ti-ping, chairman of Hunan Government recommends appointment of Generals Hu Wen-tao and Chang Chen as commander and deputy commander of the 6th Nationalist army in succession to Gen. Li Ming-hao who becomes a member of provincial government committee—Gen. Chien Ta-chun at Shanghai forbids billeting of troops in foreign houses or mission property—Nationalist Council appoints committee of seven to devise measures for confiscation of "enemy" property, the intention being to devote proceeds to philanthropic, educational, industrial and commercial enterprises—Permission granted to student cadets to hold review at Public Recreation Grounds in Shanghai; Chiang Kai-shek comes to Shanghai to inspect cadets—Proposal made for forming national committee for supervising and directing the actions of all local committees for opposing Japan's aggressions in Shantung—Students prohibited from suspending class room work for holding parades—Nanking appoints Ling Shih-tsih as commissioner of Foreign Affairs for Chihli—Adopts proposal of Tsai Yuan-pei to centralize administration of all educational institutions in National University Council—Chow Yi-ko, chief Procurator of the Supreme Court transferred to chief judgeship of Anhwei and Wang Huai-hai appointed his successor—Gen. Yen Hsi-shan formally assumes post as garrison commander at Peking and Tientsin; Yen's troops enter and take over possession of Peking as last Fengtien troops evacuate—Nationalist troops under Chen Tiao-yuan and Fong Chen-wu enter vicinity of Peking; heavy fighting develops with Gen. Chang Chung-chang who makes final stand on borders of foreign concessions—Nanking considers appointment of Dr. Wang Chung-hui as Minister to Paris—Ministry of Finance calls national financial conference in Nanking on July 1—Dr. H. H. Kung, Minister of Commerce and Industry organizes campaign for membership in Association for Promotion of Native Industries—Canton Branch Political Council appoints following members of Kwangtung Provincial Committee, Li Chi-sum, Chen Ming-shu, Hsu Ching-tang, Feng Tsoh-wan, Liu Tsai-fu, Wu Kwang-chi, Hsu Chung-ching, Wu Te-chen, Li Lu-chao, Chu Chao-hsin, Ma Chao-chun and Hwang Chi—Nanking Ministry of Commerce and Industry selects 27th Nationalist army base hospital as site of Native Products Exhibition—*Ta Chung* report states Chinese in San Francisco are starting campaign to raise $1,000,000 for presenting China with a battleship—C. T. Wang, appointed as Nationalist Minister of Foreign Affairs goes to Nanking to confer with government officials — Chihli-Shantung Famine Relief Commission announces plans for relieving distress among war refugees; appropriates $630,000 for purpose.

Sunday, June 10—Kuo Wen report states that serious fighting now taking place along the Yungting River between Kuominchun and Fengtien troops and that Fengtien troops driven northeast of Peking; Peking gentry welcome Feng's representative Gen. Han Fu-hsu to Peking but he informs them that Yen Hsi-shan's troops are entering Peking and that his troops are proceeding toward Tientsin-Reported that subordinate Chihli-Shantung generals Hsu Kun, Wang Tung and Sun Tien-ying have suddenly declared their independence and attacked the retreating Fengtien troops and disarmed them; reported Chang Chung-chang and Chu Yu-puh have deserted their forces and gone to Dairen—Feng Yu-hsiang's troops under Gen. Lu Chung-lin occupy Yangchun and reach outskirts of Tientsin—5,000 Shansi troops enter Peking without incident while remaining Fengtienites evacuate in accordance with arrangements—*Kuo Wen* report from Mukden states that Madame Wu Chung-sheng, wife of the Tupan of Holungkiang, committed suicide upon receipt of news of the death of her husband in bomb outrage—Gen. Li Tsung-jen denies earlier report that he was urging the invasion of Manchuria—Gen. Li Chi-sum at Canton calls meeting of representatives of Kwangtung, Kwangsi and Yunnan provincial governments and proposes organization of Southwestern China Development Company for purpose of promoting industrial enterprises; plan includes organization of $20,000,000 capital South China Industrial Bank for assisting enterprise—Gen. Chiang-Kai-shek officially tenders resignation as Generalissimo of Nationalist Forces and chairmanship of Military Council, stating that military

(*Continued on page 112*)

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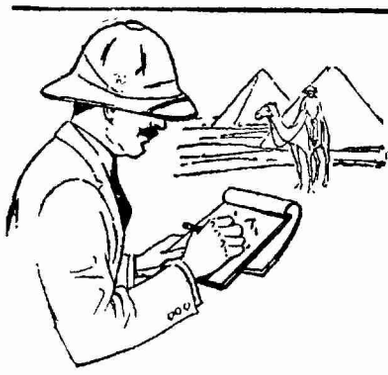

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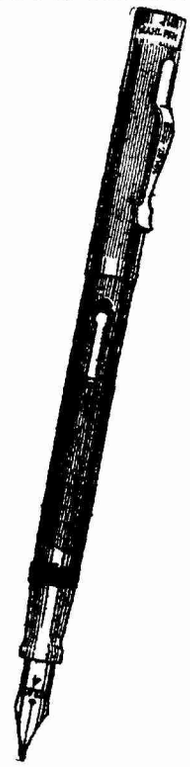

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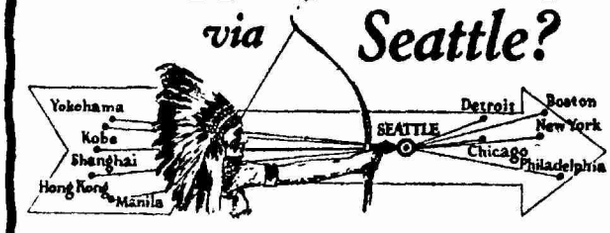

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New Books of Interest in the Far East

China's Contacts With Her Neighbors

China and Her Political Entity (A Study of China's Foreign Relations with Reference to Korea, Manchuria and Mongolia), by Shuhsi Hsu. Oxford University Press, American Branch, New York, 1926.

Although other nations are mentioned, the subject of this book narrows the scope of foreign contacts to those concerning Russia and Japan, and of these the latter takes the more space and attention. At present there are probably many potential readers of this book, though they may not be prepared to follow the author through his carefully verified statements.

The foreword of the book is brief and consists of two sentences quoted from Li Hung-chang—"There is no doubt that within a decade Japan's prosperity and power will be considerable....I earnestly hope that those who are at the helm of state will occupy their attention with the problem while there is still time." Dr. Hsu closes his book with the following two sentences—"There is no doubt that, in proportion to the degree the Chinese nation recovers from the political disorder it now experiences, it will grow more insistent upon shaking off the Japanese shackles. Here lies the hope and the danger."

Between these two statements there lie 430 pages of material prepared particularly for American reading. (So it would seem from the preface.) Both Chinese and foreign sources are named. This is not written in a popular style, and it is, in places, quite dry with its accumulation of facts and almost unavoidable reiterations. It will be a good reference volume for a library but its value there would be increased if it had a better index One looks in vain for clear and concise definitions of terms such as "Anfu Party," "Fengtien forces," &c. To residents in. China these omissions may not prove embarrassing but they are unfortunate if the book is to be useful to those unacquainted with China.

The seven chapters of the book are divided into sections so that their subjects may be found easily from section headings in the table of contents. The first two chapters deal with the historical background, the third with the Korean Problem, the fourth with the Japanese War and some consequences, the fifth takes up the Boxer Rebellion, the sixth considers the Reconstruction of Manchuria, and the last is concerning Developments since the Revolution.

Contacts with Japan since very early days are mentioned and the facts leading up to the present difficulties are brought out. J. O. P. Bland in his book, "China, Japan and Korea" makes much of secret compacts between Chinese statesmen and Japan. Dr. Hsu does not mention the importance of such agreements, but he does note the assistance given by the Japanese to mal-contents in China, who at various times have been working against the government. G. B .S.

The Religions and Philosophies of China

"The Story of Confucius: His Life and Sayings" Edited and with Preface by Brian Brown. Introduction by Lu Yu Sang, M. A.

"The Story of Buddhism: His Life and Sayings" Edited and with Preface by Brian Brown.

Two companion volumes with case. $2.50 each. McKay, Philadelphia.

These two volumes contain nothing new or startling and even suffer from a few minor misprints. But they bring together in an easily comparable form, not extending to 300 small pages of big print each, a selection of material dealing with the two great Eastern religions which will give the amateur reader a very fair grasp of his subject in a comparatively short time. Moreover, though there is no attempt not to acknowledge that most of the noted writers in English on Confucianism and Buddhism have been drawn upon, or rather, inserted piece-meal into the two books, yet Mr. Brown has succeeded in producing something which does not actually give the air of a handbook or compilation. Indeed, far from it. The artistic cardboard cover and bindings of the volumes make production something well-fitted to grace the drawing-room book table, and it may be hoped that many casual readers in idle moments may be tempted to pick out one or other of these books and add without trouble to his or her knowledge of the Far East. Giles or Legge is not exactly the kind of meat to offer to the casual reader, but we have their essence here, in a simple and comprehensive form.

There is something attractive also about the putting together of the two books dealing with such radically opposed systems of thought as the Confucian and Buddhist. The practical yet aspiring common-sense of the one is strongly contrasted with the metaphysics of the other, and one is led to meditate on the manner in which the two existed side by side so peaceably in China for so many centuries. J. D. M.

(*Continued from Page 110*)

phases of revolution completed and in accordance with his original announcement, he now gives up his military work; states will now devote himself to the reconstruction of the country—Dr. C. T. Wang, newly appointed Minister of Foreign Affairs, goes to Nanking for conference with Government officials; reported he will assume office immediately—Feng Yu-hsiang notifies Government Council in Nanking that he has instructed his forces in vicinity of Peking to withdraw to Fengtai in order to facilitate the occupation of the Capital by Gen. Yen Hsi-shan's troops; Peking now controlled by Shansi troops under Gen. Tan Ching-lin.—Report in *Shun Pao* states that Chiang Kai-shek's representative, Gen. Chang Chun, in accordance with instructions went to Tangkaichuang, near Tsinan, where he met Gen. Matsui, Chief Intelligence officer of Japanese General Staff for preliminary discussion of Tsinan incident and as a result the Japanese decided to have the negotiations conducted through proper diplomatic channels.

Monday, June 11—Kuo Min report states that Kwangtung provincial authorities have succeeded in raising loan of $5,000,000 for Canton branch of Central Bank, some $4,000,000 being raised by Chinese merchants in Hongkong and $1,000,000 by the Chinese General Chamber of Commerce in Canton—Lung Yung, representative of Gen. Chiang Wei-chen of Yunnan arrives in Canton to confer with Gen. Li Chi-sum on bandit suppression—Gen. Bei Tsung-chi with his troops arrives in Paotingfu and confers with Gen. Yen Hsi-shan regarding rehabilitation measures in central Chihli—Nanking Military Council appoints committee composed of Gen. Ho Ying-chin, and Messrs. Wang Peh-ning, Huang Wu-chung, Ko Ching-yen, Chu Chao-liang, Chow Bin, Liu Chi-wen and Miao Bin to consider measures for reducing the number of soldiers in the various armies and the matter of military training for country's youth—Nanking remits $100,000 for famine relief of people in Northern war zone, money to be expended through Political Committee of War Zone under chairmanship of Chiang Tso-ping—German Consul in Tsinan confers with Tsui Shih-chi, Commissioner of Foreign Affairs for Shantung who has his office at Taian—Dr. C. T. Wang, new Foreign Minister of Nationalist Government will formally assume office on Thursday, June 14—Nationalist Manifesto to foreign Powers drafted by Wu Tze-hui, Tsai Yuan-pei, Yu Yui-jen, Chu ching and Ting Wei-feng, now completed and will be issued shortly; manifesto expresses aims of Nationalist Government, says time arrived for making new treaties; urges withdrawal of foreign troops; reiterates intentions to submit Tsinan case to international commission of inquiry; declares that when international restrictions removed, China will embark on new era—Headquarters of Commander in Chief at Nanking issued official repudiation of reports alleging disturbances created in Peking, Tientsin and elsewhere by so-called "plain-clothes" soldiers, report stating the Government has no such troops—Gen. Yen Hsi-shan expected shortly in Peking from Paotingfu; will establish his headquarters in the Shihchaotang Hall, the former Peking Cabinet Building; Peking chamber of commerce holds reception for Shansi officials; Gen. Shang Chen on behalf of Gen. Yen Hsi-shan states that no changes are contemplated in the police forces; orders full protection of foreign lives and families of former officials; Gen. Chu Shao-kwang, chief-of-staff of Yen Hsi-shan calls on Diplomatic Officials; now 10,000 Shansi troops in Peking—Nanking decides to issue formal mandate asking Gen. Chiang Kai-shek to reconsider his resignation and remain in office until the pacification of Chihli province and Three Eastern Provinces is completed.

Thomas F. Millard Says Tsinan Incident Strengthened Nationalist Unity

Interviewed recently by the *Peking Leader*, Thomas F. Millard, special correspondent of the New York *Herald-Tribune*, who is at present in North China, stated that whatever untoward effects the Tsinan incident had on the Nationalists, it certainly served to strengthen the feeling of unity. The Tsinan affair, alone, he said might have been an accident. But followed, as it has been, by the situation in Manchuria, it has given rise to a great deal of speculation among other countries as to Japan's next move.

"Several responsible officials of the Nanking government have told me positively," said Mr. Millard, "that the southerners did not plan to occupy Tientsin with troops. Their expressed intention was to keep their soldiers well out of the city. They stated that Mr. McMurray's note, suggesting that should troops enter the city they be very carefully picked and kept well away from the legation quarter, was in complete accordance with theinr ow program."

In the American Consular Court for the District of Shanghai, China

In re Estate of Walter B. Wilson, Jr., Deceased

Estate No. 97

NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of Walter B. Wilson, Jr., deceased, to present the same with vouchers to the undersigned on or before December 20, 1928, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

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In the United States Court for China

H. C. WONG, Plaintiff,
vs
LEONARD G. HUSAR, Defendant.

Cause No. 3078
Civil No. 1302

ORDER.

Filed at Shanghai, China, May 31, 1928.

L. T. KENAKE
Assistant Clerk.

The object of this suit is to secure payment on a promissory note.

WHEREAS plaintiff herein, by his attorney, has this 26th day of May, 1928, made application for the substitution of publication for personal service of summons upon defendant herein; and

WHEREAS it appears from the files of this case that on the 28th day of May, 1928, the Summons for the defendant was returned by the Marshal of the United States Court for China, "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 26th May, 1928, H. C. Wong, Plaintiff filed herein, an affidavit to the effect that the Defendant was not residing in China, nor has he been within the jurisdication of this Court during the last six months previous to May 26th, 1928.

NOW, THEREFORE, it is this 31st day of May, 1928, ORDERED that the defendant cause his appearance to be entered herein, on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the last day of the publication of this Order, namely June 23, 1928; otherwise the cause will be proceeded with as in cause of default.

BY THE COURT,

MILTON D. PURDY
JUDGE.

MAY 31, 1928.

Marshal Chang Tso-lin Deserves No Sympathy

To the Editor, *The China Weekly Review*:

Concerning the bomb outrage at Mukden, the Japanese have again broadcasted lying propaganda just as they did regarding the Tsinan affair. Apparently this is another prearranged Japanese plot to finish Chang Tso-lin and to deliberately create a tense situation in Mukden as an excuse for sending more troops "to protect their special rights and interests." A *Reuter* dispatch from Mukden dated June 7 is very illuminating. The consensus of opinion among well-informed circles is that the Japanese authorities did the bombing and shifted the blame on the imaginary "plainclothes Southern soldiers." So far as Chang Tso-lin is concerned, whether he is dead or seriously wounded, he deserves no sympathy from all patriotic Chinese. He has sold the Manchurian provinces for a renewed lease of power. His crimes merit a violent end. Hitherto Chang has been a mere tool of Japanese imperialism. Now that his Japanese masters consider him no longer useful, they ruthlessly put him out of the way. Prior to his evacuation of Peking, the Japanese told him to fight a decisive battle against the Nationalist armies. But he acted contrary to Japan's wishes, and was hemmed in at last.

S. K. CHEN

Shanghai, June 9, 1928.

Circuit Court of Appeals Denies Husar Appeal.

Word was received in Shanghai during the week from Dr. Geo. M. Sellett, U. S. District Attorney in Shanghai, at present in San Francisco, that the Ninth Circuit Court of Appeals on June 11 denied the appeal of the former U. S. District Attorney Leonard G. Husar, against his conviction by Judge Milton D. Purdy of the U. S. Court for China, sentencing him to two years imprisonment for the embezzlement of a public record for the purpose of despoilation. Ten days' leave to appeal to the U. S. Supreme Court was granted.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price May 24th	Sale Price June 11th	Approx. Yield to Maturity % June 11th
Czecho Slovak Govt. Sinking Fund Loan	8	Oct. 1, 1952	110¼	110	7.13
Republic Chile S.F. Loan	7	Nov. 1, 1942	103½	103¼	6.65
Argentine Government.. Ext. S.F. Loan	6	May. 1, 1960	100⅛	100⅛	6.00
Kingdom of Italy, Ext. S. F. Loan	7	Dec. 1, 1951	99¼	99⅜	7.05
Austrian S. F. G. Loan	7	June 1, 1943	104	103¾	6.60
Japanese Govt. (£)	5	1907/1947	85½	86	6.27
German Govt. S. F. Loan	7	Oct. 15, 1949	107⅜	107	6.40
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 1, 1950	100	100	7.00
Saxon Public Works Inc. 1st Mtge. S. F. Loan	7	Feb. 1, 1945	102	100½	6.95
German G.E.C.S.F. Loan	7	Jan. 15, 1945	104⅛	105	6.50
Finnish Guaranteed Municipalities S. F. Loan	6½	Oct. 1, 1954	99¼	99⅝	6.53
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	100	100	6.50
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	101	101	6.38
Cuban Domin. Sugar Co. 1st Lien S. F. Loan	7½	Nov. 1, 1944	101	101	7.39
Camaguey Sugar Co. 1st. Mtge. S. F. Loan	7	Oct. 15, 1942	100¾	100¼	6.97
Pennsylvania Dixie Cement Corporation	7	Pfd. Stock	97	97	7.22
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	109	108	6.48
Willys Overland Co.	7	Pfd. Stock	101⅜	101	6.93
The National City Bank of New York	20	Stock	945	940	2.13
Republic of Peru Ext. Secured S. F. Loan	7½	Sept. 1, 1956	106⅞	106¾	6.95
Hershey Chocolate Corp.	$4	Pfd. Stock	—	79 79	5.06
Belgian National Railway Co. Participating Pfd. Stock (American shares) Market to yield Ex. Div.					6.72
Pannsylvania Dixie Coment Corp.	6	Sept. 15, 1941	101		5.89
Republic of Chile	6%	Feb. 1, 1961	95¼		6.31

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

45-138

Shanghai Exchange for Week Ending Wednesday, June 13, 1928

By Mitland, Fearon and Brand

Exchange:—Silver the date of our last circular the price of Bar Silver in London after having fluctuated between 27¼d. and 27 1/16d. for spot, and 27 1/16d. and, 27 1/16d. for two months forward delivery, is to-day quoted at 27 9/16d. and 27 7/16d. respectively, and the market there is reported to be quiet and steady. The local official T/T rate on London has been advanced ⅛d. to 2/8 1/16d., and T/T on New York faom 65 5/8 to 66 1/16.

Bueiness in exchange has been verv dull throughout the week, Merchants showing little inclination to operate either way, and the scarcity of export paper has been particularly noticeable. Speculators are still heavily over-sald, their position besng estimated at not less than £1,500,000. in all currencies

The undertone of the market is not quite so good, and at the clos-banks were selling at the following rates for near delivery, T/T on London 28 1/16d., on New York 66 7/8 and Yen 69 7/8.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver..... .....Tls.43 806,000 an increase of Tls. 1,706,000

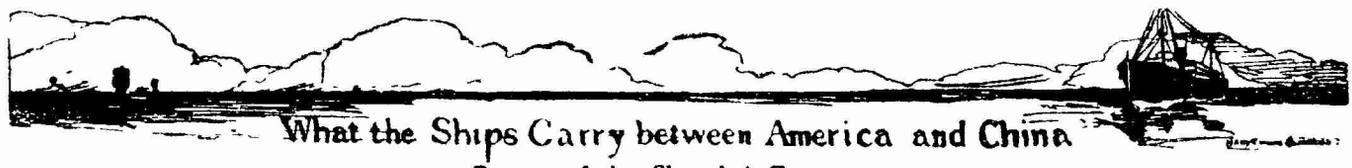
Chinese and Mexican Dollars..... $ 78,970,000 a decrease of $ 2,640,000

Estimated value Tls. 100 664,000 as against Tls. 131 181,000 held at this time last year.

	Average rates for May	Thursday. June 7th	Friday June 8	Sat. June 9	Monday June 11	Tuesdy June 5	Wed6 June
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/8 284	2/8½	2/8 1/16	2/8¼	2/8½	2/8 7/16	2/8⅝
D/Dfts ,,	—	2/8 15/16	2/8 15/16	2/8 15/16	2/8 19/32	2/8 13/16	2/8 15/16
4 m/s ,,	—	2/8¾	2/8½	2/8½	2/8¾	2/9	2/8¾
T/T India	179.279	180½	179	179	180½	182	180¼
T/T France	1,666,923	1680	1670	1670	1680	1690	1680
T/T N. Y.	65.620	66 1/16	65⅝	65⅝	66 1/16	66⅝	66⅛
T/T Demand		66¼	65¾	65¾	66¼	66¾	66 1/16
T/T Hamburg		276½	274¼	274¼	276¾	278½	276½
T/T H'kong	77.866	76½	76½	76½	76½	76½	76½
T/T Japan	71.288	71	71¼	71½	70 7/8	70	70 9/16
T/T Batavia	162.529	163½	162¼	162¼	163½	164¾	163½
T/T Straits	86.192	85½	86¼	86¼	85½	85	85½
Bk's buying rates 4 m/s B/L. Cred. D/A	2/10.284	2/10¼	2/10¼	2/10¼	2/10½	2/10⅜	2/10½
4 m/s ,, D/P	—	2/10⅜	2/10⅜	2/10⅜	2/10⅝	2/10 7/16	2/10⅝
6 m/s ,, B/L Cred D/A	2/10.528	2/10 5/16	2/10 9/16	2/10 9/16	2/10 11/16	2/10 11/16	2/10 13/16
4 m/s B/F Cred D/A or D/P	1,737.500	1760	1750	1750	1770	1780	1770
4 m/s N.Y.Lc.	68.966	69	68½	68½	69	69½	69
4 m/s ,, Docs	—	69½	69	69	69½	70	69½

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	M y 7	June 8	June 9	June 11	June 12	June 13
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	27 15/16	27 9/16	27¼	27⅜	27⅜	27 9/16
**New York Price of Bar Silver per oz. (Pure)	G. $.60⅞	G.$.59⅞	G. $.59½	G. $.60⅛	G.$.60⅜	G. $.60¼
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch).....	Tls. 347⁷⁰	Tls. 351¹⁰	Tls. 346⁴⁰	Tls. 344	Tls. 346⁴⁰	Tls. 345
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	110⁹⁰	110⁹⁰	110⁹⁰	110⁹⁰	110⁹⁰	110⁹⁰
Shanghai Mexican Dollars per $100....	72.25	72.275	72.4	72.25	72.3	72.3625
Native Bank Rate of Interest (Call money)	2%	1½%	2%	1½%	1%	2%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.20
Bank of France rate of discount	3½%	New York on London	T/T 4 85 1/16
London open Market of Dis. 3 m/s	3 7/16%	Bombay on London	T/T 1/5 15/16
,, 4 ,,	3 9/16%	Hongkong on London	T/T 2/0 1/4
,, 6 ,,	3 5/8%	Kobe on London	T/T 1/10 23/32



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls; April Customs Rate Tls. 1.43 equal Gold $1

PRESIDENT HARRISON, April 18.

To U. S. A.

Silk, Waste, Long, Filature: Shanghai....Bls.	42 Pls.	128.56
Antimony, Crude	„	420
„ Oxide	„	1,680
Antimony, Regulus ...	„	1,932
Books, Printed	„	32
Brassware.....	„	20
Bristles, Assorted	„	109
Feathers, Duck	„	101
Hair, Human.....	„	57
Hides, Buffalo, Untanned	„	317
Hides, Cow, Untanned	„	2,788
Ramie	„	13
Skins, Goat, Untanned	„	3,961
Woodware	„	4
Wool, Sheep's	„	406
Carpets	Pcs.	33
Skins, Mole, Untanned	„	3,000
„ Sheep, „	„	5,730
„ Badger, „	„	1,080

ANDRE LEBON, April 20.

To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 25	Pls.	25.08

PRESIDENT PIERCE, April 20.

To Seattle.

Tea, Green, other kinds, Shanghai	Pls.	3
Egg Yolk, Dried.....	„	51
„ „ Moist.....	„	77
Egg, Whole, Dried ..	„	188
„ Whole, Moist ..	„	720
Oil, Wood	„	9,225
Walnuts, Shelled	„	113

To Shamokin.

Silk, Raw, Steam Filature: White, Shanghai Bls. 30	„	30.06
Yellow, Shanghai Bls. 45	„	44.98

To Detroit.

Tea, Black, other kinds, other Ports	„	4

To Philadelphia.

Horse Tails	„	216
Curtains, Soochow	Pcs.	75
Rugs	„	37

To Charleston.

Hair, Human	Pls.	105

To Chicago.

Silk, Raw, Steam Filature: White, Shanghai Bls. 10	Pls.	9.86

To Buffalo.

Silk, Raw, Steam Filature: White, Shanghai Bls. 10	„	9.99
Silk, Waste: Shanghai ....Bls. 22	„	68.48
Other Ports..Bls. 31	„	100.72
Silk, Raw, Steam Filature: White, Shanghai Bls. 130	„	129 95
Silk Piece Goods.....	„	3.67
Antimony, Regulus ...	„	420
Brassware	„	32
Feathers, Duck	„	98
Ink, Chinese.....	„	4
Intestines, Pig, Salted ..	„	90
„ Sheep, Salted	„	65
Curtains, Soochow....	Pcs.	90
Rugs	„	82
Skins, Sheep, Untanned	„	3,424
„ Marmot, „	„	8,500
„ Cat, Civet „	„	1,000
„ Weasel, with Tails, Untanned	„	4,800

PRESIDENT TAFT, April 21.

from U. S. A.

Motor-cars Old.....	Pcs.	1
Cotton Canv s.....	Yds.	187
Copper Sh ets, Polished	Lls.	11
Zinc Sheets, Polished..	„	8
Canned Asparagus ..	„	59
„ Fruits	„	50
Borax, Crystal	„	151
„ Granulated...	„	168
Butter	„	3
Hops	„	3
Ink, Printing.....	„	32
Leather, Calf, Coloured	„	7
Leather, Cow, Patent..	„	6
Leather, Sole	„	76
Manure, Artificial	„	2,444
Newspapers, Old.....	„	840
Oranges, Fresh.....	„	317
Paper, Chipboard	„	1,495
„ Wrapping	„	5
Prunes, Dried.....	„	14
Raisins	„	865
Soap, Laundry	„	9
Chocolate	Lb.	1,898
Lemons, Fresh	Mille	40
Cigarettes	Mille	70,000
Paints, Unclassed....	Galls.	50

SILVERASH, April 28.

From U. S. A.

Aluminium Foil.....	Pls.	14
„ Powder ..	„	8
Lead-foil and Tinfoil, Mixture	„	1,175
Tinned Plates, Plain...	„	2,970
Carbon, Black.....	„	281
Gum, Resin	„	3,314
Indigo Paste, Artificial: 20 per cent	„	890
Leather, Calf and Kid	„	24
„ ow, Patent	„	5
„ Sole	„	231
Tobacco, Leaf.... ..	„	5,579
„ Prepared ...	„	17
Typewriters	Pcs	50
Oil, Tranil	Galls	125
Cigarettes	Mille	281

LONDON MARU April 30.

To Seattle.

Tea, Black: Other Kinds, Kiukiang	Pls.	25
Oil, Wood	„	6,875

To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 20	Pls.	19.83
Silk, Waste: Shanghai....Bls.	5 „	14.07
Skins, Weasel.....	Pcs.	8,500

To Hoboken.

Silk Raw, Steam Filature: White, Shanghai Bls. 15	Pls	14.87

Latest New York Stock Exchange Quotations

June 6, 1928. Swan, Culbertson & Co. Tel. 18891-18990

Market Closed Weak Business Done (Shares) 3,000,000

STOCK	Previous Price	Latest Price
Allied Chemical & Dye (Common)	167¼	175
Allies Chalmers	122½	122½
American Beet Sugar	19	19
American Can (Common)	91	91⅛
American Radiator (Common)	143	140⅛
American Smelting	198¼	198
American Telephone & Tel. (Common)	186	186½
American Tobacco "B"	158	159⅞
Armour & Co. (Bel.) (Common)	mutilated	96¼
Armour & Co. (Ill.) 7% Pfd.	90	90
Anaconda Copper (Common)	72½	72¾
Baltimore & Chio	112⅜	112¼
Bank of Montreal	366	365
Bethlehem Steel (Common)	61	61¾
Bethlehem Steel, 7% Pfd.	122⅞	121½
Canadian Marconi	7½	7⅝
Canadian Pacific Railway	210	211⅞
Canada Dry Ginger Ale	77⅜	81½
Cerro de Pasco	74¼	74½
Chrysler	81⅛	82⅜
Consolidated Gas & Electric	155⅜	157½
Coty Incorporated	170	170
Du Pout de Nemours ...(Common)	392	393½
Eastman Kodak	179½	179⅛
Fox Film "A"	88	88⅜
General Cigar	66⅝	66¾
General Electric	—	—
General Motors	192½	193¼
Hudson Motor Car	87½	89
Hupp Motor Car	60⅞	63⅜
International Match, Pfd.	110⅞	111¼
International Nickel (Common)	96¼	99
International Products Corp. (Common)	12½	12½
International Products Corp., Pfd.	78	78
International Telephone & Teleg.	188½	187½
Kelvinator	19	19
Ligget & Meyers, Class "B"	95	95
Lorillard Company (Common)	29	28¾
Mack Trucks (Common)	94	95½
Madison Square Garden	30¼	30½
New York Air Brake Co.	45	44½
New York Central (Common)	180⅝	—
International Cement (Common)	71⅛	70
Pacific Gas & Electric Co.	48⅞	49
Packard Motor Car Co. (Common)	76⅞	77½
Pennsylvania Railroad	65¼	65¾
Radio Corporation	197	201
Remington Rand (Common)	32½	32⅝
Reynolds Tobacco, "B"	132½	132⅜
Sears, Roebuck & Co.	106⅝	107½
Loews Incorporated	73	72⅞
Standard Gas & Electric (Common)	69¼	68⅞
Standard Oil of California	58⅜	58½
„ „ of Indiana	77⅝	77
„ „ of New Jersey	45¼	44⅞
„ „ of New York	36	36⅛
Texas Corporation (Common)	63½	63
Texas Gulf Sulphur	69¾	69⅞
Timken Roller Bearing	125½	126½
Clictric Invistors	mutilated	72
Union Carbide	149¾	149⅞
Union Pacific Railroad (Common)	mutilated	198¼
United States Realty & Imp Co.	84½	84⅞
United States Rubber (Common)	42⅜	42¼
United States Rubber, 8% Pfd.	77	77
United States Steel	143	144
Westinghouse Electric (Common)	102¾	103¼
Woolworth F. W. Company	188¼	188
Wright Aeronautical	176	185¾

Shanghai-Nanking Railway Abridged Time Table.

Main Line—Shanghai-North to Nanking.

UPWARD

STATIONS	Local 1	Local 3	Fast R. * 5	3rd&4th Local 7	Exp. R. 9	3rd&4th 11	Local 13	Fast R. 15	Local 17	Local 19	Local 21	Conditional Local 23	Night Exp. R. S. 25
Shanghai N. d.	6.30		7.05	7.25	8.50	9.10	12.10	12.40	14.20	15.05	18.10	18.50	21.30
Nansiang „	7.04		7.34	7.59	—	9.47	12.43	13.08	14.59	15.45	18.42	19.20	22.06
Anting „	7.27		7.54	8.29	—	10.17	13.08	13.32	15.31	16.08	19.07		—
Kunshan „			8.23	8.59	10.01	10.59		14.07	16.08		19.44		—
Soochow „			9.16	10.05	10.53	12.12		14.59	17.14		20.40		0.15
Wusih „		6.35	10.18	11.15	11.52	13.39		15.52	18.28		21.39		1.25
Changchow „		7.55	11.21	12.23	12.50	14.54		16.55	19.32				2.35
Tanyang „		9.04	12.24		13.46	16.08		18.01					4.02
Chinkiang „		10.08	13.18		14.29	17.13		19.01					5.06
Nanking arr.		12.12	15.03		15.46	19.26		20.33					7.00

Main Line—Nanking to Shanghai-North.

DOWNWARD

STATIONS	Local 2	Local 4	Local 6	Local 8	Fast R. 10	Express R. (12)	Local 14	3rd&4th Local (16)	Conditional (Local)	3rd&4th 18	Fast R. 20	Local 22	Night Ext. R. S. (24)
Nanking dep.	..	..	..	..	7.05	9.10	..	..	..	9.25	12.30	16.35	21.30
Chinkiang „	..	..	..	..	8.52	10.52	..	..	..	11.48	14.36	18.54	0.02
Tanyang „	..	..	..	..	9.36	11.33	..	..	..	12.51	15.37	19.50	1.00
Changchow „	..	..	6.50	..	10.44	12.40	..	13.05	..	14.11	16.44	21.11	2.27
Wusih „	..	6.00	8.08	..	11.54	13.34	..	14.21	..	15.47	17.47	22.15	3.41
Soochow „	..	7.14	9.18	..	12.51	14.26	..	15.45	..	17.10	18.51	..	4.49
Kunshan „	..	8.25	10.57	.	13.35	15.05	..	17.10	..	18.23	19.42	..	..
Anting „	7.56	9.05	11.33	13.29	14.07	..	16.30	17.45	..	19.11	..	..	..
Nansiang „	8.21	9.49	12.03	13.50	14.27	..	16.54	18.09	19.30	19.46	20.31	..	6.32
Shanghai N.a.	8.45	10.16	12.36	14.15	14.56	16.05	17.23	18.42	19.57	20.20	20.55	..	7.00

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Shanghai North to Zahkou DOWN — **Main Line** — Zahkou to Shanghai North UP

STATIONS	Express R	2nd 3rd & 4th	Fast R	Local	Night Express Rs	STATIONS	Local	Express R	2nd 3rd & 4th	Fast R	Night Express R
	(4)	* (6)	* (8)		* (12)			* (3)	* (5)	* (9)	(11)
Shanghai N. d.	8.05	9.15	13.30	...	18.30	Zahkou d.	...	7.15	9.05	13.35	17.45
Jessfield d.	8.21	9.32	13.46	...	18.46	Hangchow d.	...	7.40	9.40	14.00	18.10
Siccawei d.	8.27	9.40	13.53	...	18.53	Changan d.	...	8.32	11.05	15.06	19.02
Lunghwa J. d.	8.40	10.02	14.07	...	19.05	Yehzah d.	...	9.03	12.03	15.43	19.33
						Kashing d.	...	9.44	12.57	16.32	20.15
Shanghai S. d.	8.15	9.30	13 40	18.00	18.40	Kashai d.	...	10.08	13.35	16.59	20.41
Lunghwa J. a.	8.34	9.49	13.59	18.19	18.59	Sungkiang d.	...	11.01	14.48	17.58	21.36
Sungkiang d.	9.20	11.00	14.53	...	19.45	*Lunghwa J.* d.	8.41	11.41	15.53	18.47	22.16
Kashai d.	10.09	12.07	15.48	...	20.38	*Shanghai S.* a.	9.00	12.00	16.12	19.07	22.35
Kashing d.	10.40	12.49	16.23	...	21.10						
Yehzah d.	11.14	13.40	17.03	...	21.44	Lunghwa J. d.	...	11.42	15.48	18.45	22.17
Changan d.	11.49	14.32	17.44	...	22.19	Siccawei d.	...	11.49	15.57	18.54	22.24
Hangchow d.	12.45	16.00	18.55	...	23.15	Jessfield d.	...	11.56	16.05	19.01	22.31
Zahkou a.	13.00	16.25	19.10	...	23.30	Shanghai N. a.	...	12.10	16.20	19.15	22.45

Konzenchiao-Zahkou — (Kiangshoo Branch Line) — Zahkou-Konzenchiao

Konzenchiao d.	6.55	9.30	11.45	13.50	17.30	21.50	Zahkou d.	8.15	10.35	...	15.10	18.35	22.55
Kenshangmun d.	7.11	9.48	12.01	14.10	17.46	22.06	Hangchow d.	8.34	10.54	12.38	15.29	18.58	23.18
Hangchow d.	7.38	10.00	12.12	14.23	18.03	22.18	Kenshangmun d.	8.46	11.06	12.51	15.46	19.11	23.31
Zahkou a.	7.55	10.20	(a)	14.40	18.20	22.35	Konzenchiao a.	9.00	11.20	13.05	16.00	19.25	23.45

Note:—Trains marked with* are in connection with S.N.L. Trains at Shanghai North.
R—Restaurant.

Chinese Government Railways

Peking-Hankow Line

"The Road Through the Heart of China"

For the safety of the travelling public, guard vans with armed police are provided for every train and more than 400 armed railway policemen are on duty at the various large stations.

To facilitate the passengers in making fast connections, local trains are run between Chengchow and Chang Teh and between Hankow and Kouang Choei.

To meet the demands of the travelling public, third class tickets are sold on the Special Express Trains running between Hankow and Chengchow with only a small additional charge.

For the comfort and convenience of the passengers, the Dining and Sleeping cars are newly embellished with all modern improvements.

For quick transportation of goods, many additional freight trains are scheduled under the supervision of our Traffic Department.

In spite of the urgent demand for troop trains, our regular trains are always operated on scheduled time.

TIME TABLE

TRAIN	DEPART FROM	ARRIVE AT
* 1 Express	Hankow (T.C.M.) Every Monday 10 P.M.	Chengchow Every Tues. 6:55 P.M.
+ 2 Express	Chengchow Every Thurs. 10 P.M.	Hankow (T.C.M.) Every Fri. 8:40 P.M.
‡ 5 Local	Hankow (T.C.M.) 6:10 P.M. Daily	Chengchow 6:43 A.M. Third Day
6 Local	Chengchow 7:15 P.M. Daily	Hankow (T.C.M.) 6:48 A.M. Third Day
51 Local	Chengchow 8:00 A.M. Daily	Chang Teh 5:00 P.M.
52 Local	Chang Teh 8:23 A.M. Daily	Chengchow 5:45 P.M.
74 Local	Hankow (Y.T.M.) 7:30 A.M. Daily	Kouang Choei 1:38 P.M.
75 Local	Kouang Choei 8:00 A.M. Daily	Hankow (Y.T.M.) 2:10 P.M.

REMARKS: *With First and Second Class Sleeping and Dining Cars. +Third Class tickets are sold on this train with a small additional charge. ‡With 1st, 2nd, 3rd Class Cars and Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Mr. C. H. Yang, Managing Director, Peking-Hankow Line, Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

"The Great Overland Route in China"

This Line will soon become the most important Railway in China, connecting as it will, the remote provinces of Kansu, Shensi and Honan with the sea and passing through the ancient and famous capitals of Lanchow, Sian, Loyang and Kaifeng.

There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

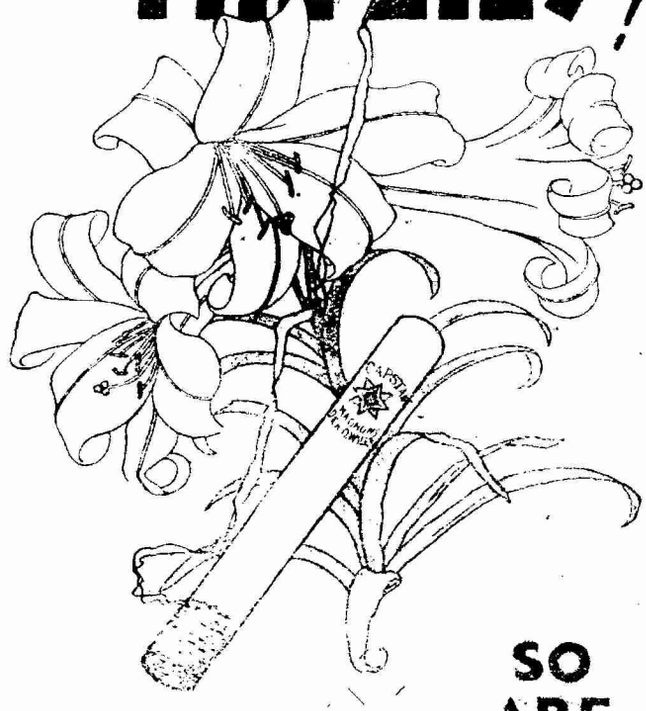
The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road.

Shanghai

AS PURE AS THE LILY!



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